

# NATIONAL MUNICIPAL REVIEW

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## EDITORIAL COMMENT

The Pittsburgh metropolitan district charter was rejected at a special election on June 25. As this issue went to press, reports from 117 of the 122 governmental units involved, indicated that only 47 approved the charter by the necessary two-thirds vote.

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"The NATIONAL MUNICIPAL REVIEW contains much that is helpful and interesting to myself and several other members of the staff, and to this division as a whole."

"In a recent brief which we filed in the Supreme Court of California in the case of *Hurst vs. City of Burlingame*, which related to an unreasonable zoning ordinance, we quoted in full the comments of Professor Tooke in the December, 1927 and the July, 1928 issues of the NATIONAL MUNICIPAL REVIEW concerning certain zoning decisions."

The first paragraph above is from the letter of a bureau official in Washington; the second is from the letter of a prominent attorney in California.

Unsolicited evidence of the usefulness of the REVIEW is encouraging. Our authors work for nothing, but they can be reassured that their labor is a public service duly appreciated by those engaged in operating our national, state and local governments.

Seven years of organization, fact finding and compilation, and the expenditure of \$1,000,000 have borne fruit in the Regional Plan of New York and Its Environs which was announced to the world on May 27. The area covered is that, roughly speaking, within a fifty-mile radius of the City Hall of New York. Of this territory 2,895 square miles are in New York state, and 2,633 in New Jersey and Connecticut. The plan is the realization of the vision of the late Charles D. Norton, who believed that no plan was worth recognition which did not include the whole area in which New Yorkers earn their livelihood and make their homes. It was made possible through the generosity of the Russell Sage Foundation. Thomas Adams, who is well known to the readers of the REVIEW, served as general director of the enterprise.

The contents of the plan are discussed in this issue by Arthur Comey. They include a plan for major highways, one for parks and boulevards, one for suburban rapid transit and one for trunk line railroads and terminals. Waterway systems, airports, land uses, and zoning are also considered.

Space forbids publication of any of the details in this department of the REVIEW. For them the reader must

turn to Mr. Comey's article. The completed plan imposes a heavy responsibility upon the political units which are the New York region. No semblance of a consolidated government exists to put it into execution. Doubtless objections to various phases will be made in many quarters. With the best of luck and the most sincere spirit of coöperation, years will probably be required before great constructive changes can be made. For this reason the plan came not a moment too soon. But the task remaining calls for a supreme form of statesmanship to persuade the scores of independent authorities to unite in removing the legal and financial difficulties in making the planners' vision a reality.

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#### Death of William A. Bassett

It is our sad duty to announce the death of William A. Bassett, who passed away suddenly on May 16 at the Homberg Infirmary in Cambridge, Massachusetts. He had been injured in an automobile accident, but was thought to be recovering when a sudden turn for the worse developed. Mr. Bassett was graduated from Harvard in 1901. As a construction engineer and research expert he had been associated with many large enterprises. From 1901 to 1904 he was employed by the Pennsylvania Railroad, and for the next two years served in the city engineering department at Pittsburgh. He then became a member of the faculty of the Carnegie Technical Institute and later assistant chief editor of the *Engineering Record*. To the readers of the REVIEW he was best known as the staff engineer of the New York Bureau of Municipal Research, where he served for more than a decade. For several years he was editor of the engineering department of the REVIEW. In 1927 he left New York to

become director of municipal and industrial research at the Massachusetts Institute of Technology. The work which he was developing rapidly was a new departure which offered rich promise in the application of research to community problems.

Bill was a jovial friend, loved and respected by everyone in the research movement for his extensive knowledge of municipal engineering and for his never-failing good nature. He was a veteran in the Governmental Research Association, whose ability as an engineer was seasoned by a broad understanding of government and a deep human sympathy. The cause of city betterment has sustained an irreparable loss in his passing. The sympathy of all goes out to Mrs. Bassett and the son, who survive him.

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#### Cleveland Considers Abandoning Manager Plan

Voters of Cleveland will go to the polls on August 20 to approve or reject a charter change which will permit abandonment of the city manager form of government and return to the old mayor-council plan.

While manager plan adherents are hopeful that they will be able to show the electorate in the next two months that the plan has not failed, that the trouble has been one of men and not of structural organization, impartial observers are anticipating a victory for the mayor-council form.

The Cleveland situation is so involved politically, it is emphasized, that only a piece of remarkable campaign strategy between now and election day can save the manager plan. Whatever may be the outcome, however, results to date in the largest city operating under the manager plan point clearly to the vital importance of the council in this scheme of government.



It is the keystone of the arch, without which the entire structure falls.

Bad as things have been in Cleveland, it is interesting to observe, on the other hand, that the corruption so far has not involved the manager's office. Indeed, the reduction of unit costs of government and the comparative freedom of the administrative organization from graft, far from indicating failure on the part of the manager plan itself, illustrate what the plan may accomplish in the face of overwhelming odds.

Should Cleveland abandon the plan, it would be making the mistake of a man who went back to a horse and buggy because he had had one accident with a motor car!

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**Excess Condemnation as an Aid to Housing** Mayor Walker of New York has renewed his proposal, made two years ago, to utilize the power of excess condemnation to provide model tenements on the East Side. His scheme is to widen two parallel streets for several blocks and in so doing condemn the intervening land by the power of excess condemnation and lease it, under restrictions as to rentals, to private individuals who will build tenements thereon. By this means it is anticipated that apartments can be built to rent for eight to twelve dollars per room.

The mayor now states that 80 per cent of the owners have agreed to sell their lands at a reasonable rate to the city (the price reported being 25 per cent above assessed value), and that it will be necessary to employ condemnation only with respect to a small fraction of parcels. He is now trying to interest John D. Rockefeller, Jr., in the undertaking, and hopes thereby to obtain the necessary money at an interest rate of 5 per cent.

In the *REVIEW* for November, 1927, the whole plan was described and criticized by Lawson Purdy as being a use of the power of condemnation never anticipated by the sponsors of the constitutional amendment adopted in 1913. The power to lease land so acquired under restrictions limiting its value was questioned. Mr. Purdy concluded by saying:

Such a plan as is proposed for limiting rentals will, if carried out, be no more than a sterile investment which will pauperize some few people and do nothing by way of example to induce further improvement.

He admitted that bad spots can be cleared up through street widening and excess condemnation, but did not agree that the excess land could be used to provide subsidized housing to a selected few.

It is possible that the problem of housing the unskilled wage earner in congested parts of our big cities cannot be solved by private enterprise, even with such assistance as the new state housing law of New York provides. Perhaps we shall be compelled to adopt the European policy of public subsidies. If so, London's experience should be carefully studied and a well-rounded program developed. Subsidies may be necessary. If so, we want to know definitely where the new policy is leading, and we want to make sure that it is applied equitably.

At best the mayor's plan depends upon the coöperation of philanthropic rich men. There is nothing in it which makes tenement house building for low rentals attractive to business, and it does put the principle of excess condemnation to a questionable use.

As an interesting side light it may be noted that the mayor has not presented his proposal to his big city plan committee, created at the beginning of his term under brilliant promises of what it would mean to the city.

### Grand Rapids and the Manager Plan

The political pot has been boiling in Grand Rapids since the resignation of City Manager Locke and the election as manager of George W. Welsh, ancient opponent of the manager plan and contender for the leadership of the Republican party in Michigan, as reported on page 428 of the June REVIEW. Welsh is now serving as manager, but is accepting only one dollar of the \$12,000 yearly salary which goes with the post. The rest he is turning over to an assistant manager.

Like most cities Grand Rapids hates to pay taxes, but, like other cities, the scale of her living has been forced upward with consequent increases in expenditure. Not all such increases, unfortunately, have been included in the budget, with the result that the city has accumulated a floating debt of almost \$400,000. In addition there has been a failure to make proper payments to the sinking fund with a resultant shortage in it of more than \$400,000.

While the city has not been defrauded of funds, there has been mismanagement of her finances. She has not been enforcing a balanced budget and the consequences are now being utilized by the enemies of the manager plan. Moreover, the situation has been complicated by issues of state politics. Frank D. McKay, who lives in Grand Rapids, is the principal political boss of the state. He finds in Welsh a strong opponent for state honors, and it is possible that the lat-

ter's desire to strike a blow at McKay had something to do with his attitude towards Manager Locke and the persons supporting him.

The moral is too obvious to need elucidation. Accumulation of floating debts of which the voters were ignorant (no adequate accounting system was in force, nor had an audit of the books been made for some time), and failure to maintain the sinking fund properly have been common enough in our municipal history. They are evils which manager government was designed to prevent. When it fails to do so, popular indignation is deservedly greater than it would have been with the old forms in existence.

Grand Rapids faces a period of economy and retrenchment. Welsh has the ability to make a good manager if he sees fit to do so. For Grand Rapids' sake it is to be hoped that he will.

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R. W. Rigsby, for eight years city manager of Durham, North Carolina, has resigned to accept a similar post at Charlotte. Mr. Rigsby is the president of the City Managers Association and one of the outstanding figures of the profession. He has been the only manager which Durham has had, and his resignation has brought expressions of regret from many citizens. The *Durham Morning Herald* states that he has been a great help to the city, and credits him with leadership in a huge improvement program which has made Durham one of the important municipalities of the state.



# THE NEW YORK REGIONAL PLAN AN ACCOMPLISHED FACT

BY ARTHUR C. COMEY  
*Cambridge, Massachusetts*

*After seven years of gigantic labor a comprehensive plan,<sup>1</sup> based on a wealth of detailed observation, is now available for the New York area. :: :: :: :: :: :: :: :: :: ::*

THE final results of seven years of collecting information, establishing principles, studying tendencies and planning a multitude of details, with an expenditure of over \$1,000,000, are now collected in a single comprehensive plan for the region about New York City. It well repays this great effort. While couched in conservative language, the plan proposes revolutionary development of existing facilities.

To be sure, the long-haired social reformer will find in the plan no cures or even preventives for many evils seemingly inherent in the aggregation of vast numbers of human beings on a single area of moderate size. The Committee on the Regional Plan at the outset accepted certain premises, such as that the population in the great region of 5,500 square miles would continue to grow, irrespective of planning or lack of planning, to probably double the present population of 10,000,000 within about thirty-five years. To anyone who does not accept this thesis the report is barren.

On the other hand the Committee boldly states that it is essential for the public welfare (1) that standards of health, comfort and safety should be raised in so far as compatible with true economy; (2) that movement of street traffic should be fast, little interrupted,

and should have ample space for parking; (3) that residence and industry should be close enough to lessen unnecessary travel, yet adequately separated; and (4) that concentration of building bulk should not be greater than that most efficient for the use of the building,—this to be secured by adequate open space. They also state that increase in population and bulk of buildings do not in themselves produce wealth, nor do increased land values based on crowding indicate prosperity.

In discussing congestion, the report quotes with approval Frederick Law Olmsted, who was one of several noted planners engaged for a preliminary report to the Committee in 1925: "We are now at a period in the history of civilization and of population densities when there is manifest danger of seriously overrunning the optimum densities, especially in great cities; and therefore the benefit of any doubt should be given to measures which tend to check increases in density of population and concentration of human activities rather than those of reverse effect. Any economic adjustments are dangerous, at such a time, which needlessly remove any of the economic burden involved in greater densities of population or in such related matters as *the increase of centripetal transportation*, from those who receive special benefits from such increases and in response to whose choices they continue." (Italics the reviewer's.)

<sup>1</sup> EDITOR'S NOTE:—The title of the final report is *Atlas and Description of the Graphic Regional Plan*. Volume 1, Regional Plan of New York and Its Environs; New York, 1929.

The plan is unofficial, its object to help the people and governing bodies of the region so to direct the future urban growth as to secure the greatest practical welfare for the inhabitants. This includes a coördinated system of communication, well-balanced distribution of land uses, and such order and beauty in building and preservation of spacious natural environment as will conduce to wholesome living and working conditions.

In this brief review only a few high lights of the recommendations can be touched upon. An extensive system of belt lines for the trunk line railroad system will ring around the inner metropolitan area still further, with thirteen union passenger terminals within a ten-mile circle. An independent suburban rapid transit system, many hundreds of miles in length but occupying in large part existing railroad rights-of-way, is designed to serve every district within twenty-five miles of the center.

The even more extensive system of highways is designed to utilize chiefly existing routes adequately widened. On the other hand, new locations are found to be in most cases cheaper and more efficient for the seven express highways which are to radiate twenty-five miles from the center (in one case all the way to Philadelphia), and for the express loop about twelve miles out. The typical design of the latter provides a single or double central roadway and two local roads on the sides having access to the express roadway between cross streets only. Ultimately all cross traffic is to have over or underpasses. The radial express routes are similarly treated, with a central curb between opposing lines of travel, thus providing two 30-foot express roadways and two 8-foot local roadways on a 138-foot taking. In addition, the present boulevard and parkway systems

are to be extended and new routes provided in suburban districts not now served, thus providing virtually a second system of roads more attractive and free from local traffic.

For air transport the plan confines itself to recommendations for sixteen new landing fields in addition to the sixteen existing ones, and several seaplane landings.

The regional zoning plan restricts industry further than the municipal zoning plans at present in effect, yet provides some industrial area near almost every suburban community. Residence areas, which are confined chiefly to the inner metropolitan district within a twenty-five-mile circle, are distinguished from "open development areas," which constitute three-fourths of the 5,500 square miles of the region. These open development areas include parks, water supply lands, golf clubs, institutions, cemeteries, airplane fields, military reserves, private holdings devoted largely to farming, and water areas.

Park proposals encircle the region almost continuously, including ribbon parks along many of the streams, ridges and the more remote beaches, several large areas similar in size to the recently acquired Pound Ridge Reservation, and a great extension of Bear Mountain Park southwest along the Ramapos into New Jersey and northeast across the Hudson. A partial use of water-supply areas for recreation is recommended, including trails along aqueducts and supervised picnic places. The need of energetic recreation of an informal type as an antidote to city life is emphasized in the plan by provision for bridle paths and hiking trails, both within the proposed large parks and along certain other routes, including two hiking routes from New York City to Bear Mountain Park, one on each side of the Hudson River, these con-



stituting a sample of what should be done in other parts of the region.

The preservation of private estates, farms, forests and similar areas as "lungs" to the region is discussed from many angles. Since zoning against building or even condemnation of the right to build appears at present impractical, in order to assure continuance of open areas municipal acquisition of such lands in the outer belt is suggested, especially of forests.

The final proposals of this report, reversing this doctrine as to the preservation of open spaces, relate to the reclamation of Jamaica Bay, the Hackensack Meadows and a strip of flats a mile

wide along Bayonne for new industrial and commercial city communities, including all social needs for residence and recreation. A companion volume is to treat of these and other special sections, including central New York City, in more detail, especially of architectural treatment.

Having completed the work for which it was constituted, under a grant from the Russell Sage Foundation, the Committee states its hope that it may at least be able to maintain an office and skeleton organization to interpret and make available to others the large and in some ways unique collection of material which has been gathered.

## THE LOS ANGELES MUNICIPAL EXHIBIT

BY ROY A. KNOX

*Director, Bureau of Budget and Efficiency, City of Los Angeles*

*How the city's functions were pictured*

WITH the slogan, "The City's Business Is Your Business," the bureau of budget and efficiency of the City of Los Angeles is sponsoring a Municipal Exhibit in the corridors of the Los Angeles City Hall. The exhibit had its formal opening on April 8 with an appropriate public program, and it will continue until June 30, the close of the fiscal year.

The purpose of the exhibit is to acquaint the citizens and taxpayers of Los Angeles with the many services which the city government is performing for their individual comfort and protection.

The following is a summary of the information presented to illustrate the many functions of the municipal government:

*Airports.*—A 6 by 6-foot model of

Los Angeles municipal airport with an enlarged aerial view of metropolitan Los Angeles as a background. A map of Los Angeles showing the location of 28 airports in the metropolitan area, and the air-line distances from the center of the business district (Seventh and Broadway) to each airport.

*Assessments.*—A pictorial presentation of assessment work from the first step until the final checking of receipts and disbursements.

*Budget and Efficiency.*—A graphic presentation of budget allowances to all departments since 1925, the growth in population, school enrollment, assessed valuation, manufactures, water commerce, post office receipts, bank clearings and income tax, 1910 to 1929, and extended to 1940. An organization chart of the city government.

*Building and Safety.*—A graphic and pictorial representation of improved heating and ventilating installations, electric installations, and the testing of materials used in the construction industry. Specimens of termites, together with samples of destructive work, and a map of the city showing where they have been discovered.

*City Clerk.*—A graphic presentation showing how property owners are notified of proposed public improvements, how city licenses are issued, how city elections are supervised, and how city-owned real estate records are maintained.

*City Hall Garage.*—Photographs showing 31 new automobiles operating under the pooled car plan, and the manner in which these cars are serviced.

*City Planning.*—Eighteen pictorial illustrations and graphs emphasizing the effect of lack of zoning, too much business zoning and the absence of building lines. Aerial views taken in 1922, and again from two to six years later. Comparative models showing the present and the proposed civic center. A chart showing the area growth of Los Angeles from 1781 to 1929.

*Civil Service.*—Twelve pictures showing applicants for trade positions under examination. Forms and methods used in making certification, appointment and payroll check.

*Construction.*—Models and photographs of 18 public buildings designed and constructed by the city.

*Controller.*—A graph and pictorial presentation showing the budget allowance to each department, and the manner in which the controller audits all expenditures.

*Engineering.*—Six relief models showing proposed construction, including a river-bed truck highway, extension of a major boulevard by the construction of four tunnels through a series of hills, two models of proposed bridges, and

two models of proposed grade separation. Four large color perspectives of proposed major improvements. Model city-owned asphalt plant in operation. Continuous motion pictures showing the construction of the North Outfall sewer from downtown Los Angeles 20 miles to the coast, and one mile out into the Pacific.

*Fire.*—Twenty-one photographs showing fire investigation, resuscitation, salvage, fire prevention, dynamiting, mountain fire patrol, the "fire college" and the use of various types of fire-fighting equipment. Continuous projection machine pictures of actual fire scenes and departmental activities.

*Fire and Police Signals.*—The line of action from moment of sending alarm until the arrival of men and equipment at the point of emergency.

*Harbor.*—An 8 by 12-foot aerial mosaic photograph of Los Angeles Harbor in colors. Continuous pictures showing facilities at the Harbor, types of vessels and commerce statistics.

*Health.*—A pictorial presentation showing maternity, child welfare, nursing, tuberculosis, quarantine, laboratory, sanitation, food inspection, food handlers' examination, and rodent control services.

*Library.*—A 6 by 8-foot model of the new Central Library with moving figures of representative citizens entering at the sides and reappearing at the main doorway carrying books marked with library subjects. Photographs showing the many activities of the library system with its 46 branches. Photographs of noteworthy city halls throughout the United States, arranged to facilitate comparison with the Los Angeles City Hall.

*Mechanical.*—Organization of the city machine shop and photographs of equipment and mechanical repair work.



*Municipal Art.*—Photographs of public buildings, statuary and paintings developed under the jurisdiction of the municipal art commission.

*Park.*—A relief model of Griffith Park (3,751 acres) stressing present and proposed development. A map of Los Angeles showing the city's 75 parks. Photographs of typical outdoor scenes.

*Playground and Recreation.*—A 5 by 15-foot model of recreational activities. The construction of miniature aircraft. Pictures of activities at the 46 playgrounds.

*Police.*—An 8 by 8-foot model of typical traffic problems. Police organization, the distribution of personnel, and the location of all police stations. Photographs showing marksmanship requirements, typical vice cases, foot and motor patrol, the use of fingerprints in criminal detection, and jail scenes.

*Public Defender.*—How legal defense for persons without financial means is provided. The results accomplished by settlement of cases out of court, and by lessening the time of trial.

*Purchasing.*—The manner in which purchases are made and pictures exhibiting the wide range of equipment and material purchased.

*Public Utilities and Transportation.*—Revenue derived from franchises, 1918 to 1928. The purpose and work of the gas-testing laboratory. The licensing of taxicab drivers, maps showing motor stage routes, local street car and inter-urban lines.

*Receiving Hospital.*—Maps showing the exact spots where 2,813 accidents occurred during January, 1929, and the place of residence of those injured. The increase in the number of emergency cases from 1919 to 1928. Fifteen photographs, each a warning to exercise more care while at work and while driving.

*Street Lighting.*—A pictorial comparison of lighting in Los Angeles during 1857, 1875, 1890, and 1900, with modern lighting.

*Testing Laboratory.*—The scope of the laboratory, materials tested and equipment used.

*Traffic Fines.*—A photographic comparison between the old manner of paying fines in the courtroom and the new method of paying at the Traffic Violations Bureau.

*Traffic Signals.*—A traffic blinker indicating the frequency of traffic injuries in the United States. Photographs of improved types of traffic signals, and how they operate.

*Water and Power.*—A 14 by 14-foot relief map of the metropolitan area and Owens Valley, showing the development of the water and power system which delivers water to Los Angeles 250 miles for five cents a ton, and electricity for five cents a kilowatt. Continuous projection machine pictures in colors showing buildings, structures, and all development incident to the water and power system. A map of the four suggested routes for the proposed Colorado River Aqueduct.

# CONNECTICUT JUDICIAL COUNCIL REPORTS

BY LANE W. LANCASTER

*Wesleyan University*

*The Connecticut legislature accepts some and rejects other recommendations made by the Judicial Council.*      ::      ::      ::      ::      ::

ONE of the more recent states to join the movement for the perfection of judicial organization and procedure was Connecticut. The general assembly of 1927 showed its interest in the subject by the creation of a Judicial Council.<sup>1</sup> The first report of the Council was laid before the 1929 session which adjourned early in May. It was distinguished by the evidences of care in its study and preparation and by the thoroughness with which its various recommendations were presented, and it is a matter of considerable regret that the legislature did not see fit to enact its principal suggestions. The body of respectable lay and professional opinion outside the legislature favorable to the report is, however, so great that we may assume that the assembly was simply "playing safe" after the approved legislative psychology in the "land of steady habits," and that more progress will be made in later sessions.

## I

Although there is probably less to "reform" about Connecticut's substantive law and procedure than in many other states, some notion of existing abuses and imperfections may be gained from a brief summary of the Council's recommendations.

(1) To students of government prob-

ably the most important suggested change was that having to do with the appointment of town and city judges. At present there are in the state 59 of these tribunals, created by special act, and presided over by judges and associate judges named by the general assembly.<sup>2</sup> Names for nomination to these judgeships are usually presented by the local representatives in the legislature, approved by the joint committee on the judiciary, and ratified by the two houses. While there are no such unseemly controversies over these appointments as occurred with some frequency ten or fifteen years ago, it cannot be said that the method of election adds to the dignity of the local bench, and it undoubtedly lays a heavy burden on the already overworked judiciary committee. The Judicial Council recommended that the power of appointment be transferred to the governor, which practice is now followed in the case of the higher courts. This idea did not commend itself to the assembly, ostensibly because of a fear of one-man power. There can be no doubt, however, that considerations of practical politics were decisive, since the local bench is an integral part of the dominant party organization which controls all branches of the state government.

(2) Under the law as it existed prior

<sup>1</sup> Ch. 190, Public Acts, 1927. The act follows closely the Massachusetts act of 1923. The Connecticut Judicial Council consists of the chief justice of the Supreme Court of Errors, one judge of the Superior Court, one of a Common Pleas Court, one of a city court, one state's attorney and four practicing attorneys.

<sup>2</sup> Five of these courts were created by the 1929 general assembly. They have criminal, and, in some cases, civil jurisdiction and take the place of justices of the peace in the towns having them. The salaries of the judges and other officials are set by statute but paid from the local treasury.



to 1929 any criminal court might suspend sentence indefinitely except in cases after commitment to the state's prison or reformatory. This power extended to the many local courts in the state, and it is a matter of common knowledge that these courts have used the power in order to impose fines with a suspended jail sentence in order not to risk the loss of a fine to the treasury in case a jail sentence is imposed and an appeal taken. Acting on the recommendation of the Council the legislature amended the law to provide that sentence may be suspended if the mitigating circumstances are made a part of the record, but that no sentence may be suspended in cases of conviction of operating a motor vehicle under the influence of liquor if such offense shall have been committed within six years following conviction for a like offense or if the offender has been previously twice convicted of a felony.

(3) A third recommendation of the Council which, however, failed of enactment, had to do with petty violations of the motor vehicle acts and local traffic regulations. Here it was suggested that in cases where the penalty was a fine, in the first two offenses the accused might request that judgment be taken against him and thus waive trial upon payment of the statutory fine and costs. The benefits of such a law in speeding up the work of the local courts and in securing uniformity of procedure throughout the state are obvious, and it seems likely that it will eventually pass.<sup>3</sup>

(4) Chapter 134, Public Acts of 1929, embodies the Council's recommendation concerning false affidavits by giving to the courts power to allow to the

plaintiff double costs with a reasonable counsel fee, where in its opinion affidavits have been filed without just cause or for the purpose of delay.

(5) In line with the Council's suggestion for discouraging divorces for trivial causes, Chapter 105 provides that no complaint claiming a divorce shall be heard or any decree granted thereon until after the expiration of ninety days from the day on which such complaint is made returnable.

(6) The Council's recommendation that a state bureau of criminal identification be established is now in the process of being carried out under the superintendent of state police.

## II

Three other matters of considerable interest were recommended for action by the Council but rejected by the legislature. After a very able review of the pros and cons of this ancient prohibition, the Council suggested an amendment to the General Statutes which would permit the state's attorney in criminal trials to comment upon the failure of the accused to testify. The assembly also failed to repeal a statute enacted in 1923 which in effect deprived the courts of the complete power which they had had until that year to make all rules and orders necessary to give effect to the practice act of the state. What appeared to be excellent suggestions looking toward the improvement of the character of jurors were also rejected.

Other matters now being studied by the Council are: the advisability of having the jury consist of less than twelve; the wisdom of having jury verdicts rendered by less than the entire jury; a study of expert testimony; the practical working of the system of local justices of the peace; and the small claims court.

<sup>3</sup> In this connection it is interesting to note that the assembly passed what is apparently the first state-wide traffic control act. *Senate Bill No. 518*.

# THE EXTRA-MUNICIPAL ADMINISTRATION OF RADBURN

## AN EXPERIMENT IN GOVERNMENT BY CONTRACT

BY CHARLES S. ASCHER

*Attorney, City Housing Corporation*

*Turning spinach gardens at one stroke into a completely planned community raises questions which precedent does not answer. :: ::*

Picture a typical rural borough in New Jersey, population 4,000, with 3,200 acres of farms and a few hundred cottages of workers from a neighboring industrial city; governed by a mayor and council giving only part of their time to the work; with volunteer firemen, four grade schools, a little street lighting, weekly garbage collection, no health officer, no zoning ordinance, no city plan, no assessment map, no full-time paid municipal officials.

Picture suddenly 1,250 acres, a third of the borough, purchased for development into a modern urban community of 25,000 people by a single agency dedicated to disinterested and scientific town-planning—within a year 200 houses springing up, apartments for 90 families, stores, offices, warehouses, miles of concrete roads, street lights, sewers, acres of parks, all designed by leading architects and town planners of the United States and England.

How are the urban conveniences and services of this new community to be financed? How, administratively, are the high initial standards of town-planning to be preserved? Here you have the governmental problem of the borough of Fair Lawn, New Jersey, and Radburn, the community of City Housing Corporation. The special features of Radburn's physical plan have already been discussed in the REVIEW<sup>1</sup>

<sup>1</sup> See NATIONAL MUNICIPAL REVIEW, March, 1929, p. 142.

—the adaptation of street plan to the needs of the motor age.

As a limited-dividend company "organized to build better homes and communities," the company addressed itself to the indicated problems of administration and finance while the town-plan was still in the blue-print stage. The ambition has been realized of having the desired administrative machinery ready to function before the first residents have moved in.

### ADMINISTRATIVE MACHINERY TO MAINTAIN ORIGINAL HIGH STANDARD

A booklet, "Radburn Protective Restrictions and Community Administration," is ready for delivery to each purchaser of property upon signing his contract.<sup>2</sup> It contains "Declaration of Restrictions No. 1 Affecting Radburn," which has been recorded with the county clerk; and the charter and by-laws of the Radburn Association, a New Jersey corporation "not for pecuniary profit" which has already been organized, has elected officers, a manager, an architectural committee, and a supervising architect, has adopted an architectural code governing residences, and a budget for the year 1929, while the first houses were being occupied.

The erection of this administrative

Copies are freely available to any person interested upon application to the company, 18 East 48th Street, New York.



machinery came as the result of some months of study. At meetings last year the problem was put before a group of experts in municipal government and town-building: members of the council of the National Municipal League, such as Dr. Luther H. Gulick, Dr. Morris Lambie, Dr. Harold W. Dodds, Richard S. Childs, Louis Brownlow, Harold S. Buttenheim and Dr. Lent B. Upson; men with special practical experience such as Morris Knowles of Pittsburgh, John Colt, president of the borough council of Princeton, New Jersey; and students of community organization such as Dr. Lee Hamner and Clarence A. Perry of the Russell Sage Foundation. A visit to Cambridge, Massachusetts, revealed a number of examples of elaborate codes of restrictions in the Library of the Harvard School of Landscape Architecture (the best library on town-planning in this country) and gave the company the benefit of the experience of John Nolen and of Olmsted Brothers, both of whom as planners have always had to bear in mind the necessity of creating machinery to interpret, carry out and perpetuate their plans. Visits to Edward H. Bouton and George B. Simmons of the Roland Park Company at Baltimore, F. H. McCormick of Wilmington, Delaware, and Mrs. Laura Green of the Gardens Association of Forest Hills Gardens, Long Island, gave what was particularly valuable—the fruits of years of practical experience which alone could show, not which restrictions can be put in print, but which restrictions *work*, which are accepted by the community without friction, are sustained by public opinion and are enforceable without resort to the courts. In addition, forward-looking real-estate developers in all parts of the country responded willingly to inquiries by letter. The documents re-

ceived final careful scrutiny by a group of experienced conveyancers and attorneys versed in municipal problems, including Spaulding Frazer, Laurence A. Tanzer, Lewis M. Isaacs, Walter H. Pollak and Louis S. Weiss, who generously volunteered their services in the interest of the limited-dividend enterprise.

The ultimate problem was succinctly stated by Clarence A. Perry: How can a neighborhood within a municipality "carry on a more advanced form of living than the municipality as a whole is ready to afford"? The problem at Radburn differed particularly from those of Palos Verdes Estates, Los Angeles; St. Francis Wood, San Francisco; the Country Club District, Kansas City; Shaker Heights, Cleveland, and similar enterprises where the technique of private restrictions had been highly developed.<sup>3</sup> Those were districts devoted largely to residences owned by the wealthy, and from which all non-residential uses other than occasional retail shops were rigorously excluded. Here was a "satellite town," planned as an (at least partly) self-contained community, with its own shops and manufactures, its homeowners and tenants,—a city within a city.

The considerations of policy which presented themselves to the staff in working out the administrative problems may interest readers of the REVIEW, because there are an increasing number of neighborhoods where the municipal government is being supplemented by an extra-municipal ad-

<sup>3</sup> An excellent summary and analysis of this technique as developed by the more farsighted real-estate subdividers is a monograph by H. C. Monchow, "The Use of Deed Restrictions in Subdivision Development," published by Professor Richard T. Ely's Institute for Research in Land Economics and Public Utilities, Chicago, 1928.

ministration gaining its sanction by contract instead of the police power.<sup>4</sup>

#### RELATION TO MUNICIPAL GOVERNMENT

Our first premise was that ultimately as many functions as possible should be assumed by the municipal government. It seems clearly advantageous that community undertakings should be financed by municipal credit; and the machinery of public taxation for raising community funds (whatever its inefficiencies and inequalities) has a long administrative tradition which is readily accepted by owners and residents.

Again, in the enforcement of standards of neighborly conduct, the sanctions of the police power—the summons served by the policeman or health officer, the summary hearing, the quick penalty—seem better calculated to bring about prompt compliance than the cumbersome suit in chancery for violation of a private covenant, with voluminous affidavits, the stirring up of neighborhood animosities which do not abate when the nuisance abates, and almost inevitable expense and delay.

On the other hand, it must be recognized that the control over the use of property which can be exercised in the name of the police power is, in the present state of constitutional law, limited to the broad and general; only minimum standards can be enforced. A zoning law with the particularity of differentiation of Radburn's town plan in the interweaving of business, industry and homes would probably be deemed arbitrary to the point of unconstitutionality; and there has yet been no court decision upholding

municipal regulation of architecture purely in the interest of the aesthetic.

Again (although the dearth of available statistics is a challenge to municipal experts) it was the consensus of our experienced advisers that no predominantly residential municipality could be made self-supporting out of taxes and yet maintain the high standards of service planned for Radburn: in other words, it is the tax revenue from industry and business that largely supports schools, streets and firemen. Accordingly, Radburn would certainly need to supplement municipal revenues privately to maintain parks, paid recreation leaders, and preventive health clinics in the bargain.

Finally, our observation of the experience of other high-minded community developers made us feel keenly that perhaps the most important element in any plan we might devise would be flexibility. None of us felt wise enough to erect a cast-iron scheme for an as-yet-uninhabited town. But please distinguish flexibility from uncertainty! It was essential that there should be definite, workable machinery from the start—it was equally essential that there be definite, workable provisions for amending it.

"Declarations of Restrictions No. 1," the fundamental charter of our extra-municipal government, is a skeletal scheme deriving its sanction truly from the consent of the governed. The document has been recorded in the office of the county clerk, and every purchaser of a home or factory site will acquiesce in its terms by the acceptance of his deed. Initially it affects eleven lanes of houses; more land (whether owned by City Housing Corporation or others) may be subjected to some or all of its provisions quite simply by recording a further declaration to that effect.

Since, at the present time, the

<sup>4</sup> For an exceptionally intelligent comparison of the possibilities of municipal and contractual control of land see M. T. Van Hecke, "Zoning Ordinances and Restrictions in Deeds" (February, 1928), 37 *Yale Law Journal*, 407.



Housing Corporation is offering for sale only property completely improved by it, and no vacant lots, it has been possible to leave to the future the working out of a zoning ordinance: it has been enough at this time to prohibit the diversion of any building from the use for which it was designed by the company, or the encroachment by buildings upon any free spaces created by the company.

#### THE RADBURN ASSOCIATION

The important functions of architectural control and collecting and disbursing the community funds (imposed as a charge in each deed) have been delegated to the Radburn Association. Frequently the developer is content to let the residents organize a loose community association of some sort after they have moved in. At Radburn, a legally incorporated non-profit association is already in existence. Its powers include the rendering of practically every municipal service in the interest of health, safety and welfare, as well as the supplementing of existing municipal services in that behalf. Its nine incorporators and first trustees are partly members of the Housing Company's staff, and partly public-spirited citizens of Northern New Jersey, whose aid the company has been able to enlist because of its character as a limited-dividend company, and whose presence on the board is a pledge to the home-purchaser of the disinterested and intelligent administration of the Association. These trustees include Bertram H. Saunders of Paterson, Mrs. John Hawes of Ridgewood, Dr. John H. Carlisle of Passaic and Spaulding Frazer, Esq., of Newark.

The Radburn Association, since its functions are so much like those of a municipal government, is organized on the city-manager plan; its administra-

tion is committed to a manager to be selected solely for his executive qualifications and to serve at the pleasure of the board. The first manager is Major John O. Walker, formerly director of public safety of Petersburg, Virginia, and Knoxville, Tennessee.

The fundamental charter (i.e., the Declaration of Restrictions) provides generally that no structure may be erected or exterior alteration made upon property subject to the restrictions without the approval in writing of the Radburn Association. The trustees of the Association have accordingly been free to adopt resolutions constituting a Code of Standards of Architectural Control, setting forth classes of structures and changes to be permitted freely, to be permitted upon formal approval by the manager, to be permitted only upon special approval by the supervising architect, or to be prohibited absolutely. These resolutions are subject to amendment by the trustees with no great difficulty as practical experience may dictate. Under this code, the manager is vested with a broad administrative discretion; and the by-laws of the Association confer upon the house-owner a right of appeal to a committee of the trustees in certain cases.

This type of situation has been presented in some detail to show how the varying demands of certainty and flexibility have been met, and how some elements of the machinery of municipal government have been adapted to this consensual administration.

The governmental device of the hearing upon notice has been freely used as a substitute for the conveyancers' traditional written and acknowledged consent of the property-owner. Thus amendment of the Declaration of Restrictions is effected by a hearing upon notice by mail and advertisement to the owners of property

in the area determined by the trustees to be affected thereby. Unless 50 per cent of these owners protest, the trustees may adopt the amendment after such hearing; and it is a certificate of the Radburn Association, reciting the steps taken, which is recorded. The analogy to the procedure under a zoning ordinance is easily seen. Because of the variability of the physical town-plan of Radburn, we were forced to discard any fixed radius as the zone of influence of a proposed change. In case of a resort to the courts, the issue should be merely whether the trustees acted arbitrarily in designating the area affected: here, as ultimately everywhere, we depend upon a reasonable and intelligent practical administration.

The charge to be collected is likewise left as flexible as possible. It is to be determined from year to year by the trustees of the Association. The only limitation is that it shall not exceed one-half of the current taxes upon the same property. This limit was felt necessary as an assurance to purchasers. Here again the procedure has been assimilated to that of municipal government: the manager prepares a budget, there is a public hearing upon notice and after advertisement of the proposed budget, after which the budget is adopted, and the rate of charge (which is a lien on the premises) is fixed.

The Radburn Association will also hold legal title to and administer such property devoted to community use as the municipality is not ready to take over. This includes the elaborate system of parks intended for the exclusive benefit of the inhabitants of Radburn. It is expected as a result that the principle of the Gramercy Park case<sup>5</sup> will apply, and that the community property will be assessed at a nominal valuation only.

<sup>5</sup> *People ex rel. Poor v. Wells*, 139 N. Y. App. Div. 83, affirmed 200 N. Y. 518.

#### DEVOLUTION?

The chief problem as yet undetermined is the method of devolution of control of the Radburn Association upon the residents and property-owners. The usual developer's device of one voting membership per lot owned seems clearly inappropriate in a community where there will be not only home-owners but tenant-residents, shopkeepers, factory-owners, and their employees—in short a cross section of a typical town—whose interests will be affected by the activities of the Association and who will directly or indirectly contribute to its support through the charge. We look forward to the development of voluntary associations by the inhabitants and property-owners—geographic or functional, or both; and it may be that the members and trustees of the Radburn Association will be altogether or in part delegates of, or elected by, representatives of such groups. Experience elsewhere indicates that this will be sounder than general membership in the Association by all owners or residents.

As a final consideration, we have attempted to put these somewhat formidable documents (constituting 30 printed pages) before the citizen in a format that will encourage reference to them: there is a short preface explaining the purpose and summarizing the main points; the documents have succinct running marginal notes, and there is a full five-page index.

It is believed that Radburn is the most complex civic unit to which government-by-contract has yet been applied: and its scheme of administration seems as notable an experiment as its town plan. If it is successful in practice, it may guide many communities to achieving parks, playgrounds and other amenities which the local municipality is unable to provide.



# GLASGOW THE PRACTICAL

BY HARLEAN JAMES

*Executive Secretary, American Civic Association*

*No American city approaches Glasgow in the number and range of municipal activities.*    ::    ::    ::    ::    ::    ::    ::

GLASGOW is not only the principal example of Scottish municipal practice; it is second only to the London region in the population of the British Isles. The settlement of the city dates back to a site occupied by a church in the sixth century. In 1690 it had a population of 15,000 and by the end of the eighteenth century it had grown to 75,000. By 1895 it had become a metropolis with 700,000 people living on an area of 6,000 acres. Thirty years later the area had more than tripled; the population had increased by 75 per cent, and is now close to a million and a quarter. During these same thirty years the rateable value of property has increased from a little under four and a half million to ten and a half million pounds.

In spite of extended boundaries, Glasgow has a larger average population to the acre than most other towns in the British Isles. In Glasgow there are practically 54 persons to every acre, while Liverpool, Manchester and Newcastle have but 33, Birmingham 21, Bristol 20, Leeds 16 and Bradford 12.5. The extreme density of the population and the overcrowding of the poor have forced municipal expedients in the way of sanitary inspection and control which might not have been needed had more comfortable living conditions existed.

## FORM OF GOVERNMENT

The form of government has changed but little from that in effect in 1895. The city is now divided into 37 wards, an increase of 12 in the past thirty

years. The qualified electors choose three councilors from each ward and these with the Dean of Guild (head of the Merchant's House, an inheritance from the days of guild control) and the Deacon Convenor (head of the Trades House) make a total membership in the corporation of 113. From their own number, the councilors choose a Provost or Lord Provost and the "Bailies" or Magistrates. When we were in Glasgow one of the Bailies was a woman—Bailey Mistress Bell.

The corporation owns its own water, gas, tramways, markets and electricity. Under the Glasgow Corporation and Police Act of 1895, as many administrative departments may be set up as the corporation deems wise. At the present time Glasgow is operating under nine departments: (1) General, including finance, municipal buildings, libraries, and diseases of animals; (2) Police, including protection from crime, lighting, fire brigade, management of public halls, cleansing, public health, port local authority, public baths and washhouses, and sewage; (3) Parks, including also art galleries and museums; (4) Markets; (5) Water Supply; (6) Gas; (7) Electricity; (8) Tramways; and (9) City Improvements.

## HEALTH ACTIVITIES

Glasgow has earned an enviable reputation for its health department which is organized under a medical officer. In 1923 there were 77 on the central staff and 199 on the divisional staff serving the five districts. The death

rate, which in 1870 had mounted to 29.6 per thousand population, had fallen in 1926 to 14.2 per thousand, representing a saving of some 17,000 lives per annum. Special emphasis is laid on the prevention of the spread of infectious diseases, on the reduction in tuberculosis and on the recently authorized child welfare activities. The infant death rate which was 133 per thousand births in 1914 had fallen to 104 in 1926. The department conducts two fully equipped disinfecting stations, five tuberculosis dispensaries, maintains about a thousand beds for treatment of tuberculosis in hospitals and sanatoria, and operates thirteen child welfare centers. There are excellent bacteriological and chemical laboratories. The efficient inspection of meat and milk holds disease from these sources to a minimum. Glasgow has twenty-two establishments for public baths and washhouses with accommodations for 1,187 washers and private hot bathrooms for 550 bathers. The city is supplied with a modern sewage system which involves purification of the sewage.

#### DISPOSAL OF REFUSE

The cleansing of the city is administered through eighteen districts, with a complete local staff and equipment for the collection and removal of refuse, street sweeping and court sweeping. Refuse is treated and disposed of at refuse destructors and refuse despatch works in different parts of the city. The destructor furnaces have boilers attached and steam is generated for electric lighting and other purposes. The despatch works manufacture "prepared city manure" which is sold to farmers and yields a good revenue. The cleansing department owns two estates of 1,480 acres and leases additional ground as dumping places for unsaleable refuse and to provide fodder

for the department's horses. Much useless land has been reclaimed and transformed into good arable acreage.

#### WATER SUPPLY

An abundant supply of clear, pure water comes from Loch Katrine and Loch Arklet through two aqueducts capable of discharging 110,000,000 gallons a day and supplied with two reservoirs which can store two weeks' supply. During the year 1926-27 a population of well over one and a quarter million people was supplied with seventy-three million gallons per day. Glasgow has found that a "much more satisfactory and economical practice in the conduct of great waterworks is that the water authority should be the owner of its own watershed." In the past the corporation had suffered certain disadvantages involving heavy claims adjudicated upon and paid through not owning the watershed area. An expenditure of some seventy thousand pounds has acquired for the city about 24,000 acres on the north and south sides of Loch Katrine and a definite policy of planting trees has been undertaken.

#### GLASGOW TRAMWAYS

The ownership and efficient operation of gas and electric plants is so common in both English and American cities that it need occasion no remark, but the public ownership and operation by the Glasgow Corporation of the tramways may excite interest in the United States. The Glasgow tramways have always been owned by the city, and under the Glasgow Corporation Act of 1909 the tramways were declared "to be and to have always been" part of the *Common Good*. In 1871 the lines were leased for twenty-three years to a company, but were taken over by the Glasgow Corporation in 1894. The statement is made



by Sir John Lindsay, Town Clerk, that "as compared with 4,428,518 passengers carried by the tramway company during the four weeks ended 31 of May, 1894, the Corporation cars during the corresponding four weeks in 1895 carried 6,114,789, an increase of 38 per cent. There are  $245\frac{3}{4}$  miles, measured in single track in the system, with nearly a thousand cars in use." In 1926-27 the total number of passengers carried was 441,943,919.

#### LIBRARIES

Glasgow was for many years backward in libraries; but in 1899, a clause on libraries was inserted in the Tramways Act. Glasgow now has the Mitchell Reference Library, containing 280,000 volumes, which is claimed in extent, variety and value, to be the chief reference library in the United Kingdom. Altogether the libraries under the administration of the Glasgow Corporation contain over 600,000 volumes, and two thousand periodicals are available in reading rooms. Joint catalogues on certain subjects have already been issued and ultimately it is planned to issue joint catalogues on all important topics.

Under cultural advantages the public halls should be mentioned. Until 1891, the City Hall, with accommodation for 2,500 people, and the halls in the district police buildings were the only public halls. The corporation now owns 21 suites of public halls which can accommodate 100 to 3,500 people. Eleven form part of the *Common Good* and so are administered by the general department, and ten are under the charge of the police department. The halls are supervised by a general manager and a large staff, and are licensed for concerts and other forms of public entertainment. Six of the halls have grand organs and are used regularly for organ recitals.

During the winter months Saturday afternoon concerts are given at a nominal charge. Occasional Saturday forenoon concerts for children are arranged.

#### HOUSING

But possibly Glasgow's greatest need and greatest accomplishment in recent years lie in the housing field. It was recognized that insanitary living conditions caused in large part the abnormally high death rate. Following the 1866 law the corporation demolished dilapidated and insanitary dwelling houses on lands covering ninety acres in different parts of the city. Thirty new streets were cut through, twenty-six streets widened and improved and Alexandra Park was acquired. The corporation also built seven model lodging houses—six for men and one for women. In 1896 a Family Home was added. Following the law of 1897, seven congested and insanitary areas in the heart of the city, covering six acres, were selected for demolition and reconstruction. In all, under the 1897 Improvement Act, 520 living units were provided for the poorer classes. But in spite of all this, the war caught Glasgow with deplorable congestion and a discouraging number of insanitary dwellings. In the Census of 1911, thousands of one-room houses (a term applied to a tenement living unit as well as to separate houses) continued to be occupied by entire families. The Royal Commission appointed in 1912 reported five years later that if overcrowding were taken to mean more than three persons per room, it would be necessary to displace 284,000 of the population of Scotland. Glasgow, with about one-fourth of Scotland's entire population, showed an urgent need of at least 57,000 houses (living units).

In 1919 there was enacted the Hous-

ing and Town Planning (Scotland) Act. Under this law and the subsequent acts of 1923-24, we found in the summer of 1926 a stupendous program well toward accomplishment. Glasgow was putting through a program of nearly 20,000 houses, of which about three-fourths were completed or under construction and the remainder in prospect. Of these nearly 5,000 were to replace slums.

#### THE GLASGOW SLUMS

One cannot forget the housing schemes with the monotony of the thousands of rectangular buildings relieved in intelligent planning of land and the cheerful gardens, nor the remaining slum areas, with winding alley and court entrances, with worn, dark stairs leading to doors posted with the number of adults or children permitted by law. We inspected many one-room tenements where frowzy-looking beds were fitted tightly into alcoves enclosed on three sides—beds covered with dingy quilts and graced by no sheets. But even in these rooms in which two or three or four people must sleep, cook, eat and live, there were always brasses brightly shining and a certain cheer from the tiny fireplace and framing mantel shelf. One of the difficulties, we were told, in replacing slum areas was that, while the young folks were sometimes satisfied to move into the new housing schemes in the suburbs with their open spaces and gardens, the old folks were lonesome and dissatisfied when removed from the neighbors with whom they had lived so many years on such close terms of intimacy.

Glasgow has been faced with a tremendous social problem. In both Glasgow and Manchester, in the slum regions, we saw men and women reeling down the sidewalks, shouting drunken expletives, and droves of neglected,

underfed children. It was evident that the pressure of poverty and ignorance together with overcrowded living conditions had claimed a heavy toll. The encouraging note was that we were shown extensive areas which had been cleared of the old rookeries and the people moved into better quarters.

With so thorough an understanding of its problems and with so great a progress in solving them, Glasgow offers an interesting study for other cities suffering from density of population.

#### GLASGOW'S PARKS

No visitor can remember Glasgow without recalling the parks. Inside the city there are 32 parks aggregating about 3,000 acres. A number of these are large enough to permit the preservation of charming country landscape. In Rouken Glen, an estate of over 200 acres, which was a gift to the city, the manor house is now a lunch room. The sylvan character of the grounds has been protected. Close to the busy thoroughfare at the boundary a splashing waterfall tumbles over rocks hemmed in by underbrush and trees exactly as it might gurgle in a remote mountain fastness. In addition there are ninety open spaces from one-quarter to two acres, maintained as pleasure grounds for children. Half of these are equipped with swings, maypoles and joywheels. There are in the park system 60 bowling greens, 90 tennis courts, 5 golf courses and 100 football pitches. Music is provided in all of the parks, and in winter organ recitals are given in Kelvingrove Art Gallery.

Glasgow has also received as a gift the Ardgool Estate of 14,740 acres, about 40 miles from the city, containing a mountain range with peaks from 1,210 to 3,318 feet in altitude. Two thousand acres are being forested. Many recreation excursions are made



to this mountain park, and the corporation finances visits of necessitous mothers and children.

THE PROMISE OF THE FUTURE

Though its back country includes beautiful and historic lakes and mountains, Glasgow is not generally picturesque. Indeed it resembles many of the nineteenth century cities of the United States. Its achievements are

practical, social and cultural rather than aesthetic. Reversing the situation in so many of the British towns, the new is lovelier than the old. If the officials of Glasgow undertake to provide beauty as they have undertaken to provide the more practical amenities, and we saw evidence that they had begun to do so, we may expect within the span of the twentieth century a new Glasgow.

CONSOLIDATION OF NEW YORK CITY  
HOSPITALS

BY CARL E. McCOMBS, M.D.

*National Institute of Public Administration*

*The recent consolidation of three departments under a single commissioner is regarded by New York City's leaders in public health and welfare work as a long step toward more efficient care of the sick and more economical use of public funds.*        ::        ::        ::        ::

SINCE 1906 when a commission was appointed by Mayor McClellan "for the purpose of devising some comprehensive plan for the reorganization, extension and administration of the public hospital system of the city of New York," almost every administration of the city government has witnessed a similar inquiry, with the same general objective of consolidating the three hospital departments of the city, namely, the department of public welfare, the department of health, and the department of Bellevue and allied hospitals. Several amendments to the city charter have been proposed with this end in view, but not until 1928, under Mayor Walker's administration, did these charter amendments get much beyond mere discussion.

Mayor Walker's committee on plan and survey of the city of New York rightly regarded the hospital problems

of the city as entitled to careful consideration. As the result, its recommendations called for the establishment of a "department of hospitals, the head of which shall be a commissioner appointed by the mayor; that there be transferred to this department the custody, care and operation of all municipal owned and directed hospitals and kindred activities now conducted by the department of public welfare, department of health, the board of trustees of Bellevue and allied hospitals, and the board of ambulance service; that this department have jurisdiction also over the municipal owned and directed homes for the aged and infirm, and city controlled hospitals for contagious and communicable diseases; that the mayor appoint an advisory board whose duties shall be to consult with and advise the commissioner."

## CONSOLIDATION ACCOMPLISHED

Taking prompt action on this recommendation, Mayor Walker directed the preparation of a local act amending the city charter to bring about such consolidation. The bill was introduced in the municipal assembly and passed the board of estimate and apportionment branch on October 25, 1928, and the board of aldermen on October 30, the only amendment of the board of aldermen being to make the act effective on February 1, 1929, instead of January 1, 1929. The law as amended was approved by Mayor Walker on November 9, 1928.

The act provided, as recommended originally by the mayor's committee, for the appointment of the commissioner of the new department by the mayor, and gave the commissioner power to appoint three deputies, a secretary "and such other subordinates as shall be provided for in the budget." Under the jurisdiction of the new department of hospitals were placed thirteen general and special hospitals, the children's clearing bureau, a home for dependents, a farm colony, and the two morgues of the existing department of public welfare, the five contagious disease hospitals, and tuberculosis sanitorium of the health department, the five general hospitals and morgue of the department of Bellevue and allied hospitals, "such other public hospitals, sanitoriums, health institutes, clinics and morgues now existing or hereafter established," and the ambulance service of the city, hitherto administered by a board of ambulance service.

Provision was made in the act for an advisory council consisting of one representative from the medical board of each hospital or other institution under the jurisdiction of the department, such representatives to be chosen

by the respective medical boards, and seven additional members appointed by the mayor. The advisory council serves without compensation.

## CENTRAL PURCHASE

A board of purchase is established, consisting of the commissioner of hospitals as chairman and four additional members, two of whom shall be designated by the commissioner from among the members of the advisory council, at least one of whom shall be a physician, and two of whom shall be designated by the commissioner from the officers of the department. This board has power to purchase or contract for the purchase of all such supplies, materials, apparatus and equipment of the department as the commissioner of hospitals shall by order direct. All other purchases and contracts are, however, left to the jurisdiction of the general department of purchase of the city.

The enactment of this local law is considered by all students of New York City administration as an important and necessary step toward the solution of the city's hospital problem. It has the endorsement of the medical societies and citizens generally and apparently, also, the endorsement of the political powers. The fact that essentially the same proposal has been made several times during the past twenty years or more by the ablest authorities on city hospital administration indicates that the energy displayed by the mayor in putting his committee's recommendations into effect represents a real purpose of administrative betterment. Some fears have been expressed that such a consolidation puts the hospital system of the city rather completely at the mercy of partisan politicians, but, as a matter of fact, anyone who knows the hospital situation in New York City, knows



that partisan politics has enjoyed at least as great opportunity for interference in hospital administration under the old many-headed system as it can possibly enjoy under the new one. In view of what has happened to previous proposals for city hospital consolidation at the hands of the politicians, it is greatly to the credit of Mayor Walker and his supporters in the municipal assembly that this long cherished ideal has at last been realized.

SOME CRITICISMS

It would be possible to offer criticism, we think, of certain features of the plan without disagreement as to its major proposals. The advisability of creating a special board of purchase for this department opens the way to purchasing abuses. We believe that it would have been better if purchasing for this department had been left in the hands of the general department of purchase of the city.

The large size and chiefly *ex-officio* character of the advisory council is, in our judgment, a handicap. The council would probably be a more effective agency if it were smaller and composed wholly of members appointed by the mayor from among citizens at large and including representatives of the unofficial health and welfare agencies of the city. Such persons would be in a position to bring to the city's hospital problems an experience and independence of viewpoint which is less likely to be found among the representatives of hospital medical boards who make up a majority of the advisory council as established in the law.

Taken in its entirety, however, we believe the plan offers an opportunity never before available for orderly, well balanced, and efficient development of the city's hospital services, and with the reservations stated may well serve as a model for hospital consolidation in other large cities having similar problems of administration.

# KANSAS CITY STUDIES ITS POLICE DEPARTMENT

BY WALTER MATSCHECK

*Director, Kansas City Public Service Institute*

*A survey points the way to a more efficient police department operating with fewer men and less money.*    ::    ::    ::    ::    ::    ::

A PUBLIC feeling that crime is excessive. Charges of rank partisanship in police administration. Police board demands for \$500,000 additional appropriations to employ two hundred new patrolmen, increase salaries, and make other additions. These were the principal reasons for the thorough survey of the Kansas City police department made during February and March.

The Chamber of Commerce of

Kansas City, considering these demands and charges, decided that no correct position could be taken without a great deal of information which was not available. The Chamber, therefore, made an appropriation for a survey of the department to be conducted by the Kansas City Public Service Institute with the assistance and under the direction of August Vollmer.

Two conditions made the time par-

ticularly opportune: (1) the newly installed governor of Missouri, who appoints two of the three members of the board of police commissioners (the mayor being the third), had publicly pledged himself to a non-partisan policy of police department operation; (2) new appointments by the governor to the board were about to be made. With the expectation that a new board under this policy would desire to make every possible improvement in police methods it was believed that suggestions developed by a survey would be sympathetically received.

Police officials welcomed the survey and throughout its course coöperated earnestly. It may be suspected that their expectation that the survey would show the justice of their demands for more men and money had something to do with their desire to have the study made.

On the surface there was much ground for the demands. Kansas City has a large area in proportion to population; the number of patrolmen has not increased proportionately with their use for specialized duties; policemen are underpaid; the per capita cost of the department is not unduly high, being about average among the cities in Kansas City's population class.

But the survey report did not recommend increased appropriations or increased number of employees. Rather it stated specifically that with the adoption of the various recommendations appropriations and number of employees can be reduced. The process of putting the recommendations into effect will take some time. Meanwhile there need be no increase in the present rate of expenditure and number of employees.

#### ORGANIZATION

The survey report discusses at length the organization of the depart-

ment and the use of the force. Some startling (at least to Kansas City) suggestions are made.

The whole department is under the control of a board of three police commissioners—two members appointed by the governor of the state, and the mayor *ex-officio*. State law governs the operation of the department. The city pays the bill. The report does not discuss the method of control since it was considered outside the scope of the survey.

No such hesitation is shown with regard to the internal organization of the department. The organization was found to be very loose. Lines of responsibility and authority are not definitely fixed. Supervision is inadequate and often almost lacking. The results are those always experienced under such conditions in any large organization.

Operating direction is divided between the board and the chief. The chief is not in fact the single responsible executive officer. Under the chief there is a serious lack of staff executive and technical assistance. There is no assistant chief, no personnel officer, an insufficient number of adequately trained specialists in charge of different phases of police work. The whole organization is directed by a board with a frequently changing membership, and a chief who serves on the average two years. There is little else in the way of staff organization.

The recommendations on this part of the organization are obvious—definite rules and regulations defining the functions of the board and other officers, making the chief *the* executive officer, appointment of two assistant chiefs, one in charge of line operation and the other in charge of personnel work, with various inspectors under each assistant.



## PATROL BEATS

Time did not permit of intensive study of the various special divisions in the line organization. The distribution of the patrol force was concentrated upon. The city is patrolled now, where it is patrolled at all, in several different ways. The basis is the foot-patrol beats which have not been revised in many years in spite of changing conditions. There has been a gradual diminution in the number of patrolmen available for foot-patrol duty with the result that only a few beats are covered on all shifts, a few more on two shifts, more on one shift, and most of the city not at all. Even where the beats are patrolled they cannot be covered adequately because of their size and other conditions. Those parts of the city not covered by foot patrol are protected by auto patrol—a chauffeur and a patrolman in each car. There is some overlapping with foot-patrol beats, and some parts of the city are not covered. The auto patrols, too, are inadequate and not properly organized. Another type of patrol is the motorcycle squad which covers almost the entire city and limits its activity chiefly to traffic violations. The final type of patrol is the mounted patrol, limited, except in one case, to the downtown district, and in its work to traffic problems including parking violations.

The laying out of a beat plan requires consideration of a number of factors. Included in these are the density of population; racial character; residential, commercial or industrial use and types in each class; amount of crime; home ownership; juvenile delinquents; industrial hazards; and many others. Much of the information needed for laying out a beat system was not available and no scientific plan could be prepared. Without a care-

fully prepared beat plan based on such information an exact statement of the personnel requirements for patrol duty could not be made. Therefore a tentative statement only of the requirements was suggested, based on an analysis of all information available and on personal inspection of all sections of the city.

This statement was based on certain principles:

1. That foot patrols be abandoned except in the main business district.
2. That the entire city including the business district be covered by motor patrol—one man only in a car.
3. That the motor patrol is the only patrol required except for emergency assistance by the reserve squad.
4. That the work of the mounted squad be done by the foot patrolmen in the business district, assisted if necessary by one or two motorcycle men.
5. That traffic lights be installed to replace practically all corner traffic men.

MORE EFFICIENT PATROL WITH  
FEWER MEN

The adoption of these is dependent on the installation of the new signal equipment discussed later. For this patrol duty, including also wagon drivers and district plain clothes men, it was estimated there would be needed 246 men to do a thoroughly good police job. There are now 323 men on patrol duty doing a very inadequate job. In addition, to provide adequate supervision 56 sergeants will be needed. There are now 37. These estimates do not include corner traffic men, the number of which can be greatly reduced, nor the motorcycle squad which can be used as the reserve force. Some

new automobiles will need to be provided.

This plan contemplates covering every section of the city at the proper time intervals. The patrolman will always be within quick call by headquarters or his district station. At present many sections are scarcely patrolled at all, and a policeman on patrol cannot be reached by his district station or by headquarters except when he calls in.

The reserve squad mentioned under the recommendations would be composed of the present motorcycle squad. It would be a mobile force on call for any type of service in any part of the city at any time. It would work under the immediate direction of the first assistant chief. Its assignments might be general or specific, concentrated on a certain section for a certain purpose or put into a district for a general clean-up.

The recommendation that there be but one man in a car has aroused the greatest discussion. Some officials and many men on the Kansas City department believe it impractical and dangerous for one man to be alone in a car. However, practical considerations on the other side indicate that not only are two men in a car unnecessary but that the two-man system is destructive to effective patrol work.

A number of other suggestions with reference to use and distribution of the force are made which are designed to secure better service and reduce waste of man power.

#### PERSONNEL—POLITICAL CONSIDERATIONS DOMINANT

Analysis of the present police personnel included methods of appointment and training, length of service, age, education, previous occupation, rating on the Army Alpha intelligence test (given by the survey), pro-

motions, understanding of duties, and salaries.

A summary of the results of these studies shows that political considerations have been a very important factor in the selection of employees; that a very superficial and inadequate two weeks' training is generally given new employees; that all but 85 of the 588 men on the uniformed force have been appointed since 1920; that the turnover has been particularly heavy following changes in the political affiliation of the police board; that only 282 of the 588 men on the uniformed force were 30 years of age or under at time of first appointment—20 being over 45; that over two-thirds of this force had eight grades or less of formal schooling; that 58 per cent grade "C" or lower on the Army Alpha test; that there is no scientific basis for promotions; and that salary schedules are lower than in most cities of the same population class.

These are all general statements. There are exceptions. For example, men of very superior training and intelligence were found frequently in inferior positions. Some men have served many years.

The report discusses personnel problems at considerable length and makes some definite recommendations. It is suggested that applicants be required to have completed the equivalent of eight grades of school work and secure a grade of C+ or better on an intelligence test. Physical and age standards are also suggested. After satisfactorily meeting the application requirements and filing the application blank, other tests are suggested in the following order: will and temperament test, medical examination, character examination, personal interview. Following these, if satisfactorily met, would come the appointment, then three months in a thorough police school



suggested to be established, and three months' training on various types of police duty. For promotion further formal courses of study are suggested to be undertaken on the time and at the expense of the employee, examination to count 50 per cent and rating on a service rating scheme 50 per cent.

An officers' training school is suggested for immediate establishment, which all officers should attend to give them opportunity to equip themselves more adequately for their positions.

#### EQUIPMENT

The equipment of the department was found particularly inadequate. This applies to the headquarters and station buildings as well as to other equipment. It was suggested that a plan be worked out to provide adequate and properly located housing facilities.

The only signal equipment in use is an obsolete Gamewell system limited to use by officers reporting in, and imperfectly covering the city. There is no recall system, and no system of rapid communication between headquarters and stations.

The abandonment of the present Gamewell system is recommended. In its place are suggested a telephone box system and a red-light recall system. The installation of these is a prerequisite to the establishment of the auto-patrol system. A teletype installation is suggested for rapid communication from headquarters to stations.

#### RECORDS

Records kept by the department furnish a good foundation. Original reports are fairly complete, but the data are not cumulated, tabulated or used for administrative purposes. The report contains quite an extended discussion of the collection, tabulation and use of records, and suggests a new set of forms and the installation of a tabulating machine to make the record information quickly available for administrative use.

#### RESULTS

It is too early yet to measure the results of the survey. The report was approved in its entirety by the board of directors of the Chamber of Commerce, which instructed its proper committees and departments to follow it up. The new police commissioners expressed their purpose to study the report thoroughly, and their belief is that it will prove of great value. Newspapers have been very favorable.

The action of the commissioners up to this time indicates that they intend to organize and operate the department without political interference. Steps have been taken toward the installation of the signal system suggested as a first requirement. Some minor recommendations have been put into effect.

It was recognized by all concerned that the complete adoption of all recommendations will require two or three years. If a thoroughly efficient department operating with fewer men and less money can be given to Kansas City in two or three years' time, no one can be dissatisfied.

# THE O'FALLON CASE—THE DECISION AND WHAT IT PORTENDS

BY JOHN BAUER

*Director, American Public Utilities Bureau*

*The recent pronouncement of the Supreme Court, writes Dr. Bauer, has increased the difficulties of putting utility regulation on a workable basis.*    ::    ::    ::    ::    ::    ::    ::    ::

THIS decision by the Supreme Court of the United States ultimately means much or little, depending upon what Congress does hereafter, and upon what the Supreme Court then does following such congressional action. For the time being, it virtually disrupts the work of the Interstate Commerce Commission in carrying out the system of rate and financial regulation provided for in the 1920 Transportation Act. It deprives the commission of the administrative means of carrying out its statutory tasks. It defeats the underlying purpose of Congress, by imposing upon the commission an unworkable procedure.

The direct issue concerns only the railroads, not other public utilities. It arises out of the duties imposed upon the commission by the 1920 Transportation Act, but is affected also by the 1913 Valuation Act. It involves the basis of valuation as prescribed by those statutes, not the constitutional rights of the carriers or questions of confiscation.

## THE DECISION

The decision holds that, under the 1920 Transportation Act, the commission was required to follow the terms of that statute and "give due consideration to all the elements of value recognized by the law of the land for rate-making purposes."

This is viewed as an explicit order of Congress, and that the carrier had a right to strict compliance. The "law of the land," as laid down in a long line of utility cases, requires the consideration of *reproduction cost* as an element of "value." This factor was entirely disregarded, or was virtually given no weight, by the commission. This failure to consider reproduction cost was an outright violation of the express order of Congress. Under the statute, the commission must include reproduction cost as one of the elements of value. What weight should be given is a different question, and was not before the court.

This was the view of five judges, but was not shared by three. A minority opinion was prepared by Judge Brandeis, joined by Judges Holmes and Stone. They considered that the commission had obeyed the orders of Congress, had followed the law of the land, had considered reproduction cost, and given it such weight as it deemed proper, and that its action was not in conflict with the decision of the Supreme Court in other cases.

## THE 1920 TRANSPORTATION ACT

The 1920 Transportation Act was the culmination of many years' experience with railway rate regulation. It recognized the fact that individual railway properties cannot be taken



separately for rate-making purposes; that all the railroads, at least in a large district, must be considered together. Reasonable rates must constitute a continuous network over wide sections of territory. To base rates upon the cost of service incurred by favorably situated properties would spell financial ruin to companies with poorer locations. But to fix rates high enough to enable the weaker roads to furnish adequate service, and to meet the requirements of transportation, would give the stronger roads excessive returns. The weak as well as the strong are needed, and must be adequately supported, without imposing undue burdens upon business, and without conveying to any railroad unwarranted returns.

To meet this situation, the law provided that the railroads should be considered together in the light of the commercial needs of the country at large. First: The commission should divide the country into suitable districts and fix the aggregate value of all the railroads in each district. Second, it should fix rates at such a level as to provide a fair return upon the aggregate fair value of all the properties in the district. Third, since this method of rate-making was intended to assist the poorer roads, it limits the earnings made available to the strong companies. If for any year a carrier receives a net railway operating income in excess of 6 per cent on the value of the property used by it in transportation service, half of the excess shall be placed in a reserve fund maintained by the carrier, and half shall be "recoverable" and paid to the commission for the benefit of a general railroad contingent fund. The entire excess is thus to be devoted to the financial betterment of the railroads "in the interest of commerce of the United States considered as a whole."

#### WHAT RATE BASE?

The O'Fallon case arose out of the determination of the value for the purpose of measuring the amount of excess earnings subject to "recapture" under the Transportation Act. The St. Louis & O'Fallon Railway Company claimed that it was entitled, as a matter of constitutional right, to have reproduction cost used as the measure or dominant factor. The commission rejected this view, and adopted a basis which it considered not only applicable to the carrier's property, but suited to carry out the general purposes of Congress.

In determining the value for rate-making as well as recapture of excess earnings under the 1920 Transportation Act, the commission was authorized to utilize the results of its investigation under the 1913 Valuation Act, in so far as deemed by it available; and to give due consideration to all the elements of value recognized by the law of the land for rate-making purposes. There was the further provision that whenever, pursuant to the 1913 Valuation Act, "the value of the railway property of any carrier held for and used in the service of transportation has been fully ascertained, the value so ascertained shall be deemed by the commission to be the value thereof for the purpose of determining such aggregate value." Now, precisely, what was the explicit order of Congress in prescribing the basis of valuation?

Under the requirements of the 1913 Valuation Act, the commission has valued all the railroad properties of the country, and has virtually completed that enormous task. In determining the value, it adopted pre-1914 average reproduction cost, less depreciation, for the physical properties existing on June 30, 1914 (deeming such prices

as about equal to the average actual cost of construction during the twenty-year period prior to 1914). For construction or installation after 1914, it took actual cost, less depreciation. Railway lands, it appraised on the basis of adjacent property values. On this basis it fixed a single value for each property as of a given date.

In carrying out its duties under the 1920 Transportation Act, the commission substantially adopted the policy of incorporating directly the results attained under the 1913 Valuation Act. For physical properties other than land, it started with the amount as fixed for valuation date; then added all subsequent net additions at actual cost; and deducted further depreciation accrued after valuation date. For land, it made adjustments according to the changes in adjacent land values. With this formula, it expected to maintain practically a continuous valuation. It could promptly determine the aggregate value for each district on the basis of reported facts, subject only to adjustments for changing land values. Likewise, it could fix for each individual carrier the value for the determination of excess earnings.

The commission thus adopted a convenient and definite method to carry out the mandates of Congress in a prompt and efficient manner. It applied this method to the O'Fallon case. It sought to provide for the future not only systematic administration of rate-making and recapture, but to establish financial stability in transportation, to avoid fluctuations in value due to changes in price level, to assure the investors that they will get the return expected when they devote their capital to the service of the public, and especially to attract new capital as needed in the interest of commerce of the United States con-

sidered as a whole. The method was designed, particularly, to carry out effectively the basic purposes of Congress, and was considered as meeting the requirements of Congress in respect to the law of the land.

#### THE BASIC ISSUE

While the company, in the O'Fallon case, raised constitutional questions as to its rights, the Supreme Court considered only the limited question whether the commission had carried out the order of Congress to give due consideration to all the elements of value recognized by the law of the land. It based its decision wholly upon this requirement as construed. It did not inquire into basic purposes of Congress as to which valuation was merely an instrument of administration, and did not consider those purposes in their bearing upon fair value. It looked upon the law of the land dealing with valuation as something distinct from underlying public policies and their dependence upon valuation for satisfactory administration.

The Transportation Act of 1920, unfortunately, did not lay down specifically just how the values should be determined, either for rate-making or recapture. It did, however, set out a comprehensive plan whose underlying object was unquestionably to provide for systematic expansion of railroad facilities as needed for the commercial development of the country. It looked to permanent financial stability, and, of course, fair treatment of the investors, especially the assurance of a constant flow of capital as required by the country at large.

The commission viewed its duties from the broad standpoint of underlying purposes, and considered all the financial facts which had bearing upon those purposes. It gave consideration especially to the fact that on the aver-



age two-thirds of the capital of a railroad had been contributed through bonds or other fixed-return securities, and only one-third by common stock. Because of this typical financial structure, any substantial variation in value, based upon reproduction cost, upward or downward, would have a cumulative effect upon the returns obtained by the common stock. The other returns are not variable; they are fixed by contract. During rising prices, value based primarily upon reproduction cost would bring undue returns to the common stock, and during falling prices, would cut rapidly into the credit of the companies. A sustained period of falling prices would make new railway capital almost unobtainable, and would bring insolvency to the industry.

#### THE LAW OF THE LAND

The commission considered that under the law of the land it was obligated to take into account this basic financial situation: the typical financial structure of the railroads, and the consequences if reproduction cost were made the principal factor of value. It concluded, therefore, that in the basis adopted, it had not only provided fairly for actual investors but had established permanent financial stability, assured a constant flow of capital as needed, and instituted a system that could be promptly and effectively administered. It had regarded the law of the land from the standpoint of these fundamental considerations.

The meaning of "the law of the land" in the determination of value for rate-making purposes, has been far from definite. There is no doubt that the commission did not make an allowance for reproduction cost along the lines emphasized in some of the recent cases, particularly the Southwestern Bell, the Bloomfield, and the Indian-

apolis Water cases. In these cases, the majority opinions stressed reproduction cost, and established plainly the proposition that substantial, if not dominant, weight should be given to reproduction cost in the determination of fair value for rate-making.

While the commission in the O'Fallon case may be said to have given consideration, even some weight, to reproduction cost, it certainly did not make such an allowance as might be deemed necessary along the lines indicated by the above cases. It did virtually adopt, and undoubtedly expected to apply, a formula to its dealings with the railroads. It expected to eliminate fluctuations due to changes in price level. Except for land, and the recognition given to pre-war reproduction cost, it excluded reproduction cost as a factor, and intended to rely upon books and records.

The question considered by the Supreme Court was whether this procedure constituted compliance with the law of the land under the circumstances of the 1920 Transportation Act. Viewed simply from the standpoint of past valuation cases, the action of the commission certainly could not be held as complying with the law of the land. If, however, the underlying purposes of Congress were to be considered in their relation to the prevailing financial structures, also the requirements of practical administration, then the commission might well be upheld. It considered the law sufficiently adaptable to meet the special conditions of the railroads within the purposes of the Transportation Act.

The minority opinion by Judge Brandeis sets out the various considerations which led him and two associates to disagree with the majority. He held that the commission had considered adequately reproduction cost

with relation to the particular conditions with which it was dealing. He recognized the basic decision of the court, that "present value," and not "investment," is to be taken as the basis of rate-making. But he pointed out also that present value is not to be determined by reproduction cost; that this is merely an element to be given such weight as it deserves in the judgment of the fact-finding body under particular circumstances. He made a comprehensive review of the relation of reproduction cost to fair value, and showed especially that reproduction cost cannot be taken as the measure of fair value, because of ordinary depreciation, functional obsolescence, and competitive limitations upon earning power.

#### EFFECT UPON RAILROADS

The O'Fallon decision does not affect what has been said on valuation in previous cases. It does not apply to general utilities. It is limited to the requirements imposed by Congress upon the commission through the 1920 Transportation Act. It does not go to any constitutional question affecting property rights or confiscation. It may be taken, however, to permit a more limited weight given to reproduction cost than was indicated by other decisions. It does imply that reproduction cost is only an element, not the measure of value, and leaves to the commission the weight to be allowed in individual cases.

The consequences of the decision, however, may be extremely serious so far as the railroads are concerned. The work of the commission will be practically deadlocked, if it attempts to give substantial weight to reproduction cost in dealing with the large number of properties. It will be constantly revaluing the properties, and constantly confronted with conflict of

interest as to gross amounts and as to the relative weight to be given to reproduction cost. It will not be able to administer the requirements of the Transportation Act either in fixing the aggregate value as the basis of rates for a district, or the individual values for recapture of excess earnings. Nor can it assure the financial stability that is needed for a constant flow of new capital as required for railroad developments.

If, as many economists believe, we are about to experience a period of falling prices similar to the decline following the Civil War, the railroad companies will find themselves increasingly pressed to meet their fixed charges, if the rates are actually to be based upon reproduction cost or with dominant weight given to that factor. The desired financial stability cannot be preserved, and a constant flow of capital assured, under reproduction cost as the rate base. This is an economic fact that cannot be avoided, if reproduction cost is to control in the administration of the 1920 Transportation Act.

There is the possibility, however, that Congress may yet be able to save the work of the commission, by providing directly and expressly for the basis of valuation that had been adopted in the O'Fallon case. Congress may now establish explicitly what the commission had considered to be plainly implied in the 1920 Transportation Act. With such an express mandate, the work of the commission may yet be saved and rate-making placed upon an effective and financially sound basis.

There is, however, no great assurance that the Supreme Court would not override such an Act of Congress as unconstitutional. The majority of the court apparently considers that utility and railroad valuations should be based



dominantly upon reproduction cost, and this may be viewed as a matter of fundamental right, not subject to statutory limitations. There is a considerable probability that the Supreme court would find invalid any far-reaching limitation enacted by Congress, notwithstanding the important issues of public policy that are involved.

#### BEARING ON STATE REGULATION

The decision may be considered also in its relation to valuation for ordinary rate-making under the jurisdiction of the state commissions. Under the rules as discussed in recent cases, there is no doubt that state regulation has been rendered largely futile. The commissions, under reproduction cost requirements, cannot cope with the enormous amount of work required by rate adjustments. Every attempted adjustment arouses a sharp conflict of interests, results in prolonged hearings, excessive costs, and unsatisfactory results. There has been a growing feeling that regulation must be reconstructed and placed upon a definite basis for effective administration and the maintenance of necessary financial stability.

The program that has been proposed and has received extensive favor would virtually apply to the utilities in general the policy adopted by the Interstate Commerce Commission in the O'Fallon case. The proposal is to provide an initial valuation for every utility as of the present date. In such an initial valuation every factor should be recognized and duly provided for, giving such weight to reproduction cost as may be necessary to meet the requirements of the law of the land. But when such an initial valuation has been established, it would be made permanent, without further variation due to changes in prices or conditions of operation. Only subsequent net in-

vestments in extensions and improvements would be added. Both the initial valuation and subsequent additions would be maintained through systematic depreciation allowance. After the initial valuation, the rate base would be determined regularly through accounting processes under exact commission control. Rate-making, at least so far as determining the amount of return to which a company is entitled, would then be a simple arithmetical task which could be readily carried out by ordinary accounting analysis.

To make regulation effective and financially sound requires such a system as thus briefly outlined.

#### REGULATION OR PUBLIC OWNERSHIP?

The O'Fallon decision now raises the question whether, indeed, such a policy expressly established by the legislatures of the states would receive judicial approval. Does the majority of the court feel that there is an inherent property right to higher values as prices fall? If it has a fixed economic view as to basic constitutional rights, then there is, of course, no possibility of establishing satisfactory future regulation. The system, perforce, would be unworkable and financially unstable. It would not stand against experience, and would inevitably pass into discard because of judicial determination of constitutional rights.

Here, then, is the great question raised by the decision. What does it signify in relation to future policy in dealing with railroads and utilities? The writer has felt heretofore that it would be possible for the legislatures of the states to put regulation upon a workable basis. He still believes that such positive legislation should be enacted, but feels less confident that it would stand against the constitutional

attack which would certainly be brought by the utilities. Will the majority of the Supreme Court admit a modification of the law of the land in the interest of public policy to place regulation upon an administrable and financially sound basis? Or will it regard the basis of value as a matter of inherent property rights not subject to modification to meet requirements of public policy?

Perhaps the decision marks the parting of the way in regard to private ownership and operation of railroads and public utilities. If regulation

cannot be put upon an effective and financially sound basis, the only practical choice will be to turn to public ownership and operation. The public has become increasingly dissatisfied with the results of regulation in recent years. The utilities have unwittingly done about everything in their power to stimulate such dissatisfaction. Their success before the courts in preventing the establishment of effective regulation, will hardly serve the ultimate interests of private ownership and operation. There are Pyrrhic victories in economic conflict as well as in war.

## PROGRESS TOWARD METROPOLITAN GOVERNMENT IN CLEVELAND AND CUYAHOGA COUNTY

BY LEYTON E. CARTER

*Director of the Cleveland Foundation, and until May 1, 1929,  
Executive Secretary of the Regional Government Committee*

*A clear statement of Cleveland's metropolitan difficulties. Why the  
constitutional amendment designed to meet them failed. :: :: ::*

CURRENTS of change in this dynamic age indicate that the trend toward large-scale organization is not confined to the business world alone. In the domain of political institutions it appears that present forces controlling the growth of large cities contain the seeds of a new unit of government. This will be in addition to the traditional units, to wit: the state, the county, the city and the township. It will be something between the city and the state in size and character. Different names will, no doubt, be attached to it, such as the Federated City, the Metropolitan City, the Regional City or something else. It will be the product of the outstand-

ing characteristics of modern urban growth.

Present conditions of urban growth clearly demonstrate that cities have the capacity to grow outward as well as upward. Also a large city has the capacity of affecting the territory and inhabitants of an ever-growing region outside of its physical periphery. During the nineteenth century the outstanding aspects of urban development were concentration and congestion. The terms for urban growth set by the twentieth century, if not wholly recasting these earlier characteristics, are modifying them in great degree.

The reasons are not far to seek. New means of communication and



transportation, and most important of all the automobile, have brought about and are steadily magnifying these changes. Geographical concentration of population is no longer necessary. The growth of cities is no longer predicated upon rail transportation and urban modes of life are no longer dependent upon proximity to a central core of industrial and commercial activity.

The rapidity of the geographical extension of our large cities is common knowledge, but the extent to which this growth has shown the ineptitude and unwieldiness of governmental arrangements long established has not been so popularized. But the appreciation of the shortcomings of existing governmental arrangements in our great metropolitan areas will develop—and quite as surely as these areas themselves.

During the past several years certain civic and business organizations and the press of greater Cleveland have apprehended with increasing clarity the political implications of the metropolitan growth of the city. How adequate are the present governmental arrangements and how serviceable is the present *division* of powers between the various classes of political units within the metropolitan area? These apprehensions and questionings at length became focused in a common agreement that these problems should be definitely tackled. Accordingly a group of civic and business organizations and a prominent newspaper importuned the mayor of the city of Cleveland to appoint a committee of competent and representative citizens. This he did in November, 1927, making it representative of business, civic, educational and geographical elements of Cleveland, its major suburbs, and of the entire county.

This is known as the Regional Gov-

ernment Committee of "400." The committee organized itself for careful work realizing that the task bristled with difficulties, including the necessity of dealing clinically with established traditions and governmental forms and the exploration of uncharted domains. The committee realized too that it was embarking upon a task which might require a decade or more for its accomplishment. As it got down to work, the following picture unfolded; or at least these are some of the aspects of part of the picture.

#### THE PICTURE OF A MODERN METROPOLIS

First, it saw that geographically the city was no longer the compact town of Mark Hanna's day. Instead, stretching back on the highlands which border the domicile of the older city is spread a new civilization, the product of iron and steel, the time clock, the internal combustion engine and harnessed electrical energy. Under the surge of forces which characterize modern industrial civilization the old city has literally overflowed its banks and spread itself over the countryside.

But this spreading population has not, through this process, become alien to the central city in any economic sense. Clearly it is bound together by transportation facilities—hard-surfaced roads, automobiles, busses and traction cars; by the telephone and other vital public services—water, power and light, and sewerage systems. These are tangible bonds which tend to integrate the ever-outward-spreading population. But even more potent than all these is the fact that this population depends essentially upon the technology and practices which characterize our urban industrial and commercial economy. This economy rests upon integration, coöperation, and interdependence.

Likewise, the recreational and cultural interests of the metropolitan population are interrelated and tend to converge. Various residents of all sections of the metropolitan area avail themselves of the institutions of higher learning, the museums, the principal commercial recreation facilities such as the league ball park, the amusement parks, the great public auditorium, the large theatres—all within the central city.

In their social intercourse urban residents do not make their choices so much upon the basis of propinquity as upon considerations of professional, business, cultural or recreational interest. These choices may carry them well across the metropolitan area instead of across back yards. All this tends to integrate the area.

Along with the economic and social development of the metropolitan area has gone an interesting if not astonishing development in governmental units and practices.

#### THE COUNTY

In the first place, there is the county government. This (with the exception of a metropolitan park board) is the only government having any sort of jurisdiction over the entire area. Of medieval English origin, it was designed—if the word “designed” can be applied to its haphazard structure—for other days and other needs. The product of unyielding tradition and the needs of an agrarian civilization, its development has been a haphazard accretion of boards, commissions and functions grafted and tacked into a structure which has seen no essential changes since the days of the ox cart. All the county officers are elective and this the constitution requires. These include the board of county commissioners, the sheriff, prosecuting attorney, surveyor, recorder, auditor,

treasurer, clerk, and coroner. In addition are the elective judges and various boards of trustees and commissions, some appointed by the courts and others by the county commissioners and township and village officials.

Strictly speaking, no county officer has a superior. In the main, each is responsible only to the electorate which every two or four years must pass some sort of judgment upon the performance of these various servants. A startling decentralization and dissipation of power necessarily results. It would appear difficult to devise a governmental scheme more capable of preventing the exercise of effective power and responsibility. That such a governmental vehicle draws the fire of caustic criticism from the taxpayer, the press and the reformer should cause no wonderment; the wonder is that the vehicle runs at all.

But it was seen also that the county has important powers and functions. There are the county roads, the foundation of a future metropolitan highway system. Through the sheriff, an office of eighteenth century model, it must cope with the swift-moving criminal and gambler in the sparsely settled regions. Through the auditor and treasurer, it is the tax assessor and tax collector for all local governments. It has important welfare and charitable responsibilities. Also, in late years, it has been called upon to function in the utility field, i.e., water distribution systems and sewerage control. Then there are the courts with their ever increasing burden. But these powers are dispersed, uncorrelated and in various instances encroached upon by other jurisdictions.

#### MULTIPLICATION OF MUNICIPALITIES

Perhaps the most striking development has been the growth in number of municipalities within the county.



These now number four cities and fifty villages. (Cities must have a population of 5,000 or more and villages less than that number.) The four cities are Cleveland, with a population of 1,010,300; Cleveland Heights, 50,400; East Cleveland, 44,600; Lakewood, 71,800. The villages range in size from one-tenth of one square mile to 16.35 square miles. About 90 per cent of the total territory of the county is now incorporated area. This process of incorporating areas of varying sizes and conditions has been going merrily on during recent years until now nearly all residents of the county are living under municipal governments. But by no means all of the area in the county could be described as urban in appearance.

The reasons for this astonishing increase in the number of municipal corporations in the territory surrounding Cleveland proper are not difficult to discern. As a suburban community springs up, there is need for a local government to perform local public tasks. The municipal corporation is a convenient vehicle and is readily procurable.

Instrumental, too, has been the pronounced desire of the suburbanite to control his environment, hence the setting up of a government of his own making in which he can acquire status or consciously share in its control.

No one of the existing municipalities covers over one-sixth of the area of the county, and this but throws into bolder relief the mosaic which exists—a metropolitan region divided into scores of jurisdictions and each one so generously endowed with power that it could deal effectively with many metropolitan governmental needs if only it covered the whole area. Yet this sufficiency of power in each only serves to enhance the separatism which exists.

#### DOES THE COUNTY GOVERNMENT OFFER ANY HOPE?

But looking to the county government; could it be the solvent which can dissolve this mosaic to some degree and blend its structure and composition where necessity dictates? The defects of the county form of government have been touched upon—decentralization of power, the lack of responsibility, and a restricted range of powers. To these handicaps is added another distressing one in Cuyahoga County. Here the county finds its domain covered with cities and villages possessing powers in certain important fields conflicting or at least concurrent with its own. So the county government upon getting its clumsy and disjointed machinery into motion may find itself hedged about and retarded by the powers of municipalities, if not actually estopped at corporation lines. This is true with the construction and maintenance of county highways. The county can carry on these functions within municipalities only upon their consent despite the fact that the highways may be of regional and arterial significance. So with the creation of sewer and water supply districts by the county. Here also the municipalities must give consent even though these are regional or at least not local functions; so with public health administration, it being divided between county authorities and city authorities. In the public welfare field there is likewise division of responsibility and authority between the county government and central city. In the field of transportation facilities the municipalities have power to control and regulate, but no municipality in the county has jurisdiction over sufficient area. The county has jurisdiction over a large area, but no power in this field so vital to a metropolitan com-

munity. So it is apparent that the county, defective in structure, deficient in its range of powers, and handicapped in performance within incorporated areas, is in no position to grapple with the problem of metropolitan governmental needs.

It was found that the statutes contain authority for the joint action of municipalities in the construction and management of various public works or improvements and for undertaking regional planning. These legal devices, however, require the voluntary coöperation of separate municipal corporations to have any effectiveness. While resort has been made to them on occasion, it seemed clear that they do not possess the vitality and the potentialities for usefulness that the development of the metropolitan area requires.

Also it was realized that adequate authority exists for annexation of the municipalities surrounding Cleveland to the parent city upon the consent of the parties concerned. During its history the city of Cleveland has grown very substantially by annexation. More additions will no doubt come in this way. But it was clear to the committee that the temper and conviction of most of the suburbs is such that amalgamation of the metropolitan area by this means is not in the realm of practical possibility. Moreover, if it were and all of the principal suburbs became annexed to the city of Cleveland, the problem of county government would still remain.

#### CONSTITUTIONAL CHANGES NECESSARY

As the committee's work progressed and the picture unfolded, it became increasingly apparent that effective treatment of metropolitan problems would require constitutional amendment. The basic reasons were three: first, no important or thoroughgoing

changes in the form and organization of county government are possible in Ohio without a constitutional change.

It was thought unwise to consider adding far-reaching metropolitan powers to the county without first making possible the reconstruction of the form of county government.

Second, the constitutional home-rule powers of all municipalities prevent the delegation of important municipal powers to the county or to any regional or metropolitan governmental unit that might be set up. One essential requirement of the whole situation is the necessity of redistributing municipal powers between existing municipalities and a metropolitan governmental unit whether this be a rehabilitated county government or something else. The home-rule powers of the inhabitants of the metropolitan area should not be lost to them but so distributed as to do the most good.

Third, a qualification should be written into the uniform rule of taxation imbedded in the constitution which would permit the differential treatment for taxation purposes of urban, suburban and rural property in the growing metropolitan area. Such differential treatment would greatly facilitate the orderly and proper development of that area.

Therefore the committee drafted a constitutional amendment having these major considerations in mind. The amendment as considered by the legislature during its session recently closed embodied the following principal provisions:

First, the General Assembly was given power to provide by general law for the organization and government of counties; second, power to provide for the incorporation as a municipal corporation of any county which might frame and adopt a charter under provisions and regulations established by



law. Third, an incorporated county would have all of the powers applying to counties generally and such powers of other governmental units as its charter might provide. (Existing municipalities and other governmental units would retain all powers not delegated or ceded to the incorporated county.) Fourth, authority for setting up separate taxing districts within the incorporated county and different tax rates in these districts for the purposes of the incorporated county.

Finally, limitations were set up governing the manner in which such a charter for an incorporated county might be adopted. Under these limitations any such charter or amendment thereto to become effective must be affirmed by a majority of those voting thereon (1) in the county; (2) in any city having as many as sixty per centum of the inhabitants of the county; (3) by a majority in the county outside of such city and (4) a majority in each of three-fifths of the total number of municipalities and townships in the county.

The outstanding purposes sought to be accomplished by this amendment were first, to open the way for the legislature to work out a more reasonable and effective form of government for counties generally; second, to provide through the "incorporated county" idea a governmental vehicle adequate to the requirements of large and growing metropolitan areas.

It was not thought wise to write into the amendment a specific enumeration of powers that an incorporated county should have and a specific enumeration of what municipal powers would be reserved to existing municipalities. In order to prevent the adoption of a charter for an incorporated county involving an undue assumption of municipal and township powers the "hurdles" or limitations above enumerated

were set up. These, it was thought, would prevent the adoption of any charter which did not have general and widespread support both in big and little jurisdictions throughout the county.

#### THE AMENDMENT FAILS

The amendment was introduced into the lower house of the General Assembly early in the session. After two spirited and extended public hearings it was reported out of committee with the recommendation for passage.

The measure had the active support of the State Chamber of Commerce, also of the local chambers in the major cities except Cincinnati, which was neutral, the State Council of Retail Merchants, the approval of various farm organization leaders, certain bar associations and other societies in the major cities. In Cuyahoga County the measure had widespread support. All of the members of the Cuyahoga County delegation except one were favorable. The mayor and city manager of the city of Cleveland were likewise helpful. Various organizations such as the Chamber of Commerce, Real Estate Board, Chamber of Industry, Women's City Club, Federation of Women's Clubs, Association of Apartment Owners and many citizens gave their support.

The opposition was centered chiefly in Hamilton County where Cincinnati is located. The Hamilton County delegation under the domination of the local Republican organization was actively opposed. The mayor of the city, however, and the charter group and the Cincinnati Association were favorable. The mayor of Norwood, a suburb of Cincinnati, and various of its citizens were actively opposed. Among the most vociferous objectors were representatives of a state-wide organization of township trustees. These representatives declared that township

government was the most efficient of all governments and constituted the last stronghold of political purity in the nation, and that any attempt to upset this traditional form of government was to be fought to the last ditch. Incidentally these assertions seemed scarcely germane inasmuch as the terms of the amendment did not involve any particular assault upon township government. Representatives of the Home Rule League, an association of small municipalities, likewise were energetic opponents.

In Cuyahoga County, the opposition was centered chiefly in certain outlying suburbs and in the suburban mayors who felt that the amendment did not afford sufficient specific protections to the powers and integrity of the small municipalities. Despite the approval of the chief leaders of the farm organizations, a good many of the rural members of the Assembly were either indifferent or actively opposed to the amendment.

A vote upon the floor of the House was prevented because the rules committee in charge of the House calendar refused to place the matter on the active calendar. The rules committee was largely under the domination of the Hamilton County delegation and was adamant in refusing to allow this measure even to be debated. Considerable animosity existed throughout the session between the Hamilton County and the Cuyahoga County delegations which had its origins in a contest over the House speakership and other matters not particularly germane to this constitutional amendment. The Hamilton County delegation's opposition, however, was in part due to the fact that the "charter group" in Cincinnati was favorable to the amendment and, as is well known, has been antagonistic to the regular Republican organization in that county. A last-minute attempt was made to

alter the amendment making it applicable to Cuyahoga County alone and to secure a vote upon it in this amended form. The rules committee, however, refused to place this on the active calendar despite the fact that it would have been a one-county measure not affecting Hamilton County whatsoever.

#### WORK TO CONTINUE

The Regional Government Committee is determined to continue its work. It considers the failure of the measure at one legislative session but an episode in its campaign. It has realized with increasing clarity that accomplishment of the goal may be quite a distance in the future. It has realized, too, however, that time will work in favor of the committee as metropolitan areas continue to grow and their governmental problems become more aggravated.

Certain accomplishments, however, may be chalked up. A large amount of basic research work has been done. Widespread publicity has been given the whole subject, most extensively in Cuyahoga County, of course, but likewise by the major newspapers of the state. The support of important state-wide and local organizations has been assured. Members of the legislature have had an initial acquaintance with the problems involved, and a very considerable amount of citizen interest in the more populous counties of the state has been evoked.

The major questions of policy now confronting the Regional Government Committee are, first, whether a future proposed amendment should be limited to Cuyahoga County alone and, second, if the future amendment is drawn to apply to all counties whether it would be placed upon the ballot by the initiative route or whether the attempt should again be made to have it referred to the electorate by a three-fifths vote of the General Assembly.



## RECENT BOOKS REVIEWED

THE NEW CITIZENSHIP. By Seba Elbridge. New York: Thomas Y. Crowell & Co., 1929. Pp. 357.

This volume is one of many which have sought to analyze the problem of citizenship and to present a program which might be more fruitful in bringing citizens to a realization of their responsibilities. As the author states the problem, it is "that 'the people' are rather definitely abdicating their rule, if they ever exercised it and that the rule they still exercise is very largely rule by passive consent, with all that term implies." In general his solution occupies the third position to which we have advanced. Our first solution was to improve the type of individual who held public office. This was the theory of the 1890's. The second solution was to improve the organization of government by means of short ballot, proportional representation, initiative, referendum and recall and in other ways to remove obstructions to the execution of the citizens' will. These propositions were contradictory in some cases, such as the short ballot and the initiative and referendum. The author of this volume goes further and analyzes the movements for community centers, adult education and the application of social work technique in the treatment of social problems. As the church, home, school, newspaper, radio, vocation, economic class, political party, social-work agency and community organization have not developed the desire for continuous, intensive and systematic study of the citizen's problems by the citizen himself, the author proposes a *primary-group* organization which would secure face-to-face contacts in order to secure concerted action in public affairs. These groups are to meet regularly, are to study social organization, and local, state, and national problems. Federal organization of these primary groups is proposed, which would be concerned with formulation of public policies and the selection of public officials. This idea has been proposed many times before, and is not new with the author of this book. The limitations of the plan are many, as the author will agree. Party differences, social and economic distinctions, inertia, interests in private affairs, the pressure of social life are all factors which absorb the working time of most citizens. The competition of

existing civic organizations and general prosperity are also limiting factors.

Such a program might interest many for a short period, but a long-time movement such as the author suggests is a utopia which will require economic and social pressure of a different type than is found at present.

F. G. CRAWFORD.

Syracuse University.

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PROBLEMS OF GOVERNMENTAL SIMPLIFICATION, ADMINISTRATIVE PROCESSES AND FINANCIAL AFFAIRS OF THE VARIOUS LOCAL TAXING DISTRICTS IN CHICAGO AND COOK COUNTY. By J. L. Jacobs. Pp. 31.

The governmental problems of Chicago do not relate exclusively to gunmen and William Hale Thompson, as this pamphlet eloquently testifies. In 26 pages there are outlined a series of problems with which able students of local government will still be wrestling years after those notables have passed into folklore. The report, the work of J. L. Jacobs, is not intended to offer definite solutions, but rather to throw into clear relief some of the major defects in the organization and administration of metropolitan Chicago and to block out a series of objectives in the improvement of local government and finance. It was prepared for the information of the advisory board of estimate and apportionment, consisting of a group of prominent citizens appointed some months ago by the board of commissioners of Cook County.

The report briefly presents a program consisting of fourteen points. The first and most basic proposal is, of course, the unification and coordination of the system of local government. As is well known, the government of greater Chicago presents a picture of the utmost confusion and complexity. According to the author there are now some 31 separate and distinct local governments within the city of Chicago proper, and within Cook County as a whole no less than 415 independent or semi-independent governmental units. Few sections of the county are subject to less than seven separate governmental units, and in some cases there are as many as fourteen independent tax levies. Basic functions are divided among a variety of separate agencies.

Police protection, for example, is parcelled out among city, park, county, highway, forest preserve, township and village police forces. A simplification of the machinery for administering such services is urged.

The report also suggests the grant of home-rule powers to cities and to unified city-county governments, and urges the short ballot and an extension of the civil service system. Financial problems are considered at greatest length, however. Here the report points out the weaknesses of the existing local tax system, the importance of sound and uniform budget and accounting systems, and the desirability of a long-term improvement program.

The most interesting proposal is the establishment of a central board of estimate and apportionment to integrate financial administration within the area. The functions of such a board are merely sketched in broad outlines, but they embrace central financial planning, the approval of bond issues and increases in tax rates, and the development of a long-term financial program, to mention some of the chief items.

The report represents a very interesting and laudable effort to take stock in a preliminary way of the major problems of governmental organization and finance in a great metropolitan center. It offers stimulating reading to the outsider and should be very helpful to the advisory board in directing its efforts. It is to be hoped that the board will be able to follow through with its program, and that the results of its studies may meet with better fortune at the hands of the so-called "practical" men of politics than has often been the case.

R. C. ATKINSON.

The Ohio Institute.

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**CAPITAL EXPENDITURES.** Finance Department, Chamber of Commerce of the United States, Washington, D. C., October, 1928. Pp. 30.

**RELATIONS BETWEEN STATE AND LOCAL GOVERNMENTS.** Finance Department, Chamber of Commerce of the United States, Washington, D. C., December, 1928. Pp. 27.

These two brochures are additional studies in the series of educational pamphlets on state and local finance prepared and issued by the United States Chamber of Commerce. They are intended "for use by public officials and organizations of business men interested in promoting the sound administration of governmental finance."

The study on Capital Expenditures, after

pointing out abuses and bad practices in capital financing, enunciates a set of principles which has received the endorsement of the organization members. These principles relate in general to the types of bonds and methods of soliciting bids, to the issuance of bonds by overlapping jurisdictions, and to the financing of capital outlays from current revenues. Some of the more important recommendations are as follows: serial bonds are approved in preference to sinking fund bonds; borrowing units should canvass market conditions and endeavor to offer their securities where the best terms are available; in offering bonds, state and local governments should consider the advisability of soliciting bids only on the rate of interest to be paid rather than stipulating a rate of interest and seeking bids on the premium or discount incident to such a fixed rate; to prevent the excessive pyramiding of local indebtedness, close attention should be given to the consolidation of overlapping and multiple units; special assessment bonds should be authorized and sold in the same manner as general municipal issues, with the faith and credit of the city, as well as the property benefited by the improvement, as security; to secure more economical and orderly planning and execution of capital improvements, state and local governments should examine carefully the possibilities of paying from current revenue for annually recurring amounts of capital expenditures except those which are of self-supporting character; capital improvement programs should be planned several years in advance, and they should be adhered to until officially amended; finally, it is urged that bond issue proposals should be so worded as to indicate clearly the amount of taxes which will be necessary annually in order to meet the proposed obligation.

The second bulletin which discusses *Relations Between the State and Local Governments* does not attempt to formulate conclusions, because of "certain controversial aspects" incident to the question of the degree and extent of supervision that is desirable in fiscal matters, as well as the method of exercising it. This report, therefore, is a compilation of information on state administrative supervision of the fiscal activities of local units. It is especially concerned with the experience of state control in such matters as assessments, accounting, auditing, bond issues, budgets, and technical aid. The situation in Indiana is canvassed in some detail, but the references to the experiences of other states are very general. An appendix of the bulletin summarizes



existing practices of the several states with respect to state legislative or administrative supervision of local fiscal operations.

The statements of facts and principles presented in these studies have long been familiar to students of governmental finance. By popularizing these ideas and stimulating their application, the Chamber of Commerce of the United States is aiding materially the cause of scientific public administration.

MARTIN L. FAUST.

University of Pittsburgh.



### MUNICIPAL REPORTS

CINCINNATI, OHIO. *Report of the Activities of the City Government for the Year 1928.* C. O. Sherrill, City Manager. Pp. 198.

But for its length, here is a report that closely approaches the standards set up by the writer for the purpose of appraising municipal reports. It is attractive—the front cover contains a cut of the Cincinnati municipal airport. Another feature worthy of special mention for the reason that it is invariably omitted from most reports is the emphasis placed upon important facts. Throughout the text the reader finds his attention attracted to significant statements by means of a change in type. This feature makes it possible for the reader to gain, in a very few minutes, more definite impressions on what has been accomplished than would otherwise be possible after hours of searching. The good taste used in the selection and placement of the illustrative material is also commendable.

The report begins with a comprehensive table of contents which enables one to find without loss of time the object of his immediate concern. This is followed in order by a cut of an aerial view of the city, a directory of the chief officials of the city, an organization chart, then a foreword by the city manager, who very briefly presents a résumé of the outstanding accomplishments of the year and closes with a list of ten "suggestions for the consideration of the council." The next 150 pages are taken up by the more detailed reports of the various organization units. An appendix of 22 pages contains copies of the city charter and the administrative code. All in all this report sets a standard difficult to surpass.

NORWOOD, MASS. *Annual Report of Town Officials for the Year Ending December 31, 1928.* Clarence A. Bingham, City Manager. Pp. 305.

This report is likely to get a large amount of undue criticism for its great length. Perhaps a

certain amount will be justified, but the reader must realize that the old New England Town Meeting Laws require that every birth, death and marriage be recorded in the "Annual Book." There are also certain by-laws requiring the details of all financial transactions to be likewise reported.

So when one opens this report and is confronted with forty pages of what transpired at the town meetings during the year, then twenty pages of names of persons who were either born, married or buried in the town during the same period, then seventy-five more pages of minute financial transactions before even getting to the manager's report, the blame should not be placed on the report writer.

The manager's report begins on page 154, and it briefly sums up the significant accomplishments of the year, by departments—an excellent idea well executed. The balance of the report is taken up by more detailed reports of the various departments including a very comprehensive one of the school department. About a dozen photographs add greatly to the interest of the report.

PONTIAC, MICH. *Fifth Annual Report Under Commission-Manager Government.* Clifford W. Ham, City Manager. Pp. 89.

This is the third successive annual report from this city which has been reviewed in these columns, and the distinct improvements in this last issue are quite apparent. It is attractive—the cover is dignified, neat, and conservative—the text nicely illustrated by means of well chosen pictures and clear charts. The report opens with a municipal organization chart, thereby making it easy for the reader to associate properly the various organization units one with another as he reads the account of their activities. A brief index is placed at the end of the report. This probably would have been more useful if placed near the front, for then it would be found immediately upon opening the report.

Perhaps the outstanding characteristic of this excellent report is the apparent balance which is maintained in dealing with the various activities. Very often report writers emphasize a certain activity far beyond its relative importance merely because it lends itself to dramatization more than some other more obscure yet equally essential activities. Another feature which helps to place this report among the best of the year is the clear statement dealing with the future problems of the

city. Mr. Ham is right in maintaining that the purpose of an annual report is not merely to set up a record of things accomplished but to also

record the problems which are demanding solution.

CLARENCE E. RIDLEY.

## REPORTS AND PAMPHLETS RECEIVED

EDITED BY E. A. CRANDALL

**Final Report of the Commission on Public Accountancy of the Territory of Hawaii.**—1929. 14 pp. Report of a commission authorized in 1923 and appointed in 1924. Some of the powers given to the commission were: to install a uniform system of accounting and reporting, establish a budget system, and to install a uniform business procedure. The report gives a summary of the work of the commission and lists the seven manuals, five bulletins and forty circulars published.

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**A Long-Term Financial and Improvement Program for the City of Schenectady, New York.**—By the Capital Budget Commission, April, 1929. 69 pp. (Mimeographed.) A detailed analysis of Schenectady's income, expense and desired improvements. Suggestions of possible economies are included. The section on improvements planned explains in detail the capital budget necessary for the improvements, a description of them and their purpose, the effect of the program on the tax rate and final recommendations. It is an especially valuable report because it takes into consideration not only the projects themselves, but also the various activities affected and the problems resulting from such a program. The report will be discussed in detail in an article in the August issue of the REVIEW.

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**The Condemnation Procedure of Twenty-Three Cities.**—By the Detroit Bureau of Governmental Research, Inc., May, 1929. 33 pp. (Mimeographed.) A summary of the methods used in some of the larger cities of the United States in taking land for public improvements. Whether this can best be done by direct purchase from private owners or by eminent domain through condemnation procedure is the question each city has had to answer. Detroit uses condemnation and is interested, therefore, in the information from other cities on this method of procedure. Judging by the frequency with

which questions arise in various cities on this same question, it would seem that this study of the Detroit Bureau should be found very useful.

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**Governmental Organization of Westchester County.**—By the Westchester County Research Bureau, January, 1929. 85 pp. An outline of the functions of the departments and bureaus in the Westchester County government. The purpose of the report is educational and primarily for the voters of the county. It is a result of the many questions asked in connection with the recent attempt to obtain a county charter.

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**Glasgow, Its Municipal Undertakings and Enterprises.**—By David Stenhouse, Town Clerk, 1928. 103 pp. A survey of the various administrative activities of the government of Glasgow. The report was compiled chiefly in answer to requests for information from places "both at home and abroad," but the compiler hopes it will also prove useful and interesting to the citizens of Glasgow and to the general reader.

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**Proceedings of the Third Institute of Municipal Affairs.**—Under the auspices of the Bureau of Municipal Affairs of Norwich University, Northfield, Vermont, January, 1929. 60 pp. A report of the Third Institute of Municipal Affairs held at Montpelier, Vermont, January 16 and 17, 1929. City planning and zoning, budgets, municipal airports, city manager form of government were some of the subjects of discussion.

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**Construction of School Buildings in the Towns and Smaller Cities of New York.**—By the Special Joint Committee on Taxation and Retrenchment, February, 1929. 79 pp. A description of the practice at the present time with conclusions and recommendations. The report is an attempt to curtail the amounts expended by local communities for school buildings.



# JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

*Professor of Law, New York University*

**Police Power—Judicial Review of Ordinances Relating to Public Health or Safety.**—In the November, 1928, number of the REVIEW, we commented upon the decision of the U. S. Circuit Court of Appeals, Eighth Circuit, in the case of the *City of Marysville v. the Standard Oil Co., et al.* The Supreme Court on May 20, 1929, handed down its decision, affirming the decision of the Circuit Court of Appeals. The opinion of the Court, delivered by Mr. Justice Stone, so fully and ably sets forth the principles upon which the courts should act in passing upon the reasonableness of police ordinances that we believe it should be printed in full without further comment. Justice Stone's opinion is as follows:

This case is here on certiorari, granted January 2, 1929, — U. S. —, to review a judgment of the Court of Appeals for the Eighth Circuit, reversing a decree of the District Court for Kansas which enjoined the enforcement of an ordinance of respondent, the City of Marysville, as in violation of the Fourteenth Amendment of the Federal Constitution. 27 F. (2d) 478.

The ordinance, No. 350, of October 8, 1923, requires that all tanks within the city limits used for the storage of petroleum products or other inflammable liquids shall be buried at least three feet underground. Tanks of a capacity of 500 gallons or less, if used for the storage of crude oil, distillate or fuel oil, and of less than ten gallons, if used for the storage of gasoline, kerosene or naphtha, are exempted from this requirement. Violation of the ordinance is punishable by a fine of \$25.00 for each day of its continuance. Petitioners, who are dealers in petroleum products licensed under a former ordinance, have each for many years maintained within the city limits two tanks for the storage of gasoline and kerosene of approximately 12,000 gallons capacity each. They assert that compliance with the ordinance will impose upon them a large and unnecessary expense and that the ordinance is so arbitrary and capricious as applied to them as to deprive them of their property without due process of law.

At the trial before a master voluminous evidence was taken, much of it conflicting, speculative and theoretical in character, concerning the relative safety of the storage of petroleum products above and beneath the surface of the earth and their relative likelihood of ignition, and danger of life and property in the vicinity if ignited, when so stored. The master made elaborate findings of fact from which he inferred

generally that it is more dangerous, from the standpoint of public safety, to store underground than above, gasoline or kerosene in quantities of ten gallons or more. From this he drew the legal conclusion, adopted by the district court, that the ordinance was so arbitrary and capricious as not to be a permissible exercise of the police power.

We need not labor the point, long settled, that where legislative action is within the scope of the police power, fairly debatable questions as to its reasonableness, wisdom and propriety are not for the determination of courts, but for that of the legislative body on which rests the duty and responsibility of decision. *Zahn v. Board of Public Works*, 274 U. S. 325, 328; *Hadacheck v. Los Angeles*, 239 U. S. 394, 408-412, 413-414; *Euclid v. Ambler Realty Co.*, 274 U. S. 365, 388; *Jacobsen v. Massachusetts*, 197 U. S. 11, 30; *Laurel Hill Cemetery v. San Francisco*, 216 U. S. 358, 365; *Cusack Co. v. City of Chicago*, 242 U. S. 526, 530; *Price v. Illinois*, 238 U. S. 446, 451. To determine that the present ordinance was a permissible exercise of legislative discretion, as thus defined, we need not go beyond those findings of the master to which petitioners offer no serious challenge.

The master found that gasoline and kerosene stored in large quantities are dangerously inflammable substances, as we judicially know, *Pierce Oil Corporation v. City of Hope*, 248 U. S. 498, 500, which, when ignited, are a menace to life and property in the vicinity; that even with the use of the most modern safety devices, fires or explosions of such storage tanks occur and that within the four years preceding the trial five disastrous fires of gasoline storage stations had occurred in Kansas, in two of which gasoline tanks had exploded, in one case striking and burning a building 475 feet away, killing nine people, wounding twenty-six more and burning several other houses. His findings show that within an even smaller radius from petitioners' tanks, or within the same or adjacent blocks, there are many buildings, including residences, a hotel, warehouses and garages, some of wooden structure, and gasoline and kerosene storage tanks of 75,000 gallons capacity, and that the principal business street of the town is within two blocks of the Standard tanks. From local conditions and recent public improvements the master found it reasonable to conclude that there would be increased residential building in the vicinity.

The objection which petitioners make to the storage of gasoline and kerosene in tanks buried under ground is that through the effect of electrolysis and corrosion caused by acid in the soil, and the possible "floating out" of the tanks,

leaks are likely to occur, difficult to discover, by which the gasoline might penetrate through the earth into sewers, wells and basements, contaminating the water and causing explosions. But the master found that conditions which produce electrolysis are not present in the City of Marysville; that only a slight percentage of acid was found in the soil there, and although there was more chance of corrosion of metal under ground at the Standard Oil property than at the Sinclair tanks, it might take a term of years for it to take place. The findings also show that tanks already placed under ground in the vicinity in compliance with the ordinance and which it appeared had been in successful operation for more than two years, had not "floated out" during periods of heavy rainfall and the danger of floating could be overcome by proper drainage and by anchoring down the tanks; that the tanks buried in compliance with the ordinance would rest on a level below the sewers; that there were no wells in the vicinity and that the soil there had been shown by experiment to be impervious to gasoline. It was also found that the danger from fire or explosion due to lightning, which causes many fires in gasoline storage, and from static electricity, is less with under ground than above ground tanks and that the base rate of insurance on storage tanks of gasoline and kerosene under ground is 50 per cent of that for tanks above.

The facts that the tanks of petitioners within the city limits have been operated successfully above ground; that appliances used by them are of the best type; that fires in connection with their many tanks located elsewhere have been relatively infrequent, and numerous others found by the master, were properly for the consideration of the city council in determining whether the ordinance should be enacted, but they fall far

short of withdrawing the subject from legislative determination or establishing that the decision made was arbitrary or unreasonable. The passage of the ordinance was within the delegated powers of the city council, *City Service Oil Co. v. Marysville*, 117 Kan. 514, and it acted within its constitutional province in dealing with the matter as one affecting public safety. *Pierce Oil Corporation v. City of Hope*, *supra*. From the facts as found it might, in the exercise of a reasonable judgment, have at least concluded that the danger of ignition to the tanks placed under ground, under the conditions prevailing at Marysville, was no greater than when placed above ground and that in the event of ignition the danger to life and property was very much less.

We may not test in the balances of judicial review the weight and sufficiency of the facts to sustain the conclusion of the legislative body, nor may we set aside the ordinance because compliance with it is burdensome. *Chicago & Alton R. R. v. Tranbarger*, 238 U. S. 67, 77; *Hadacheck v. Los Angeles*, *supra*; *Rast v. Demen & Lewis*, 240 U. S. 342. It does not preclude petitioners from locating their storage tanks without the city limits. Hence, the burden imposed upon them cannot be greater or otherwise more objectionable than that imposed by the enforced removal from cities by legislative action of dangerous or offensive trades or businesses. See *Pierce Oil Corporation v. City of Hope*, *supra*; *Hadacheck v. Los Angeles*, *supra*; *Reinman v. Little Rock*, 237 U. S. 171; *Euclid v. Ambler Realty Co.*, *supra*; *Fischer v. St. Louis*, 194 U. S. 361; *Laurel Hill Cemetery v. San Francisco*, *supra*.

We have considered but do not discuss other objections to the ordinance which are without merit.

*Affirmed.*



# PUBLIC UTILITIES

EDITED BY JOHN BAUER

*Director, American Public Utilities Bureau*

## PAMPHLETS ON ELECTRIC INDUSTRY AND RATES

During the past year there has been extensive public discussion of the electric power industry, its organization, control, costs, and, particularly, rates. In line with this discussion, numerous publications have appeared—some scientific and instructional, others devoted mainly to propaganda. We shall briefly summarize the contents of several pamphlets that have come to our attention:

**Government (Political) Ownership and Operation and the Electric Light and Power Industry.**—Prepared and published by the National Electric Light Association. It presents (1) the history of political ownership and operation; (2) questions usually asked about political ownership and operation; (3) authoritative opinions on public operation and the relation of government to business; (4) a list of municipalities which have abandoned, sold or leased their electric plants to private companies, or which have retained their distribution systems and are purchasing power from private companies.

The work consists of 530 pages, and is sheer propaganda. Except for unimportant statements of technical facts and specific transactions, there is hardly a stated proposition which is not a one-sided defense of private ownership and operation, as against public ownership and operation. It is noteworthy that in part 3, which sets out "authoritative" opinions on the subject, not a single economist is included; not a person who by training is controlled by analysis of facts, instead of doctrines.

The array of municipalities which to a greater or less extent have given up public ownership and operation, appears formidable. The list, however, consists almost entirely of small towns, which probably in most instances started many years ago with municipal systems because private companies could not be attracted to furnish the desired service. The plants were small, costly, and, of course, inefficient. With modern central station development, naturally, power could be bought cheaper than manufactured under such

local conditions. This applies to all small plants established a generation ago, whether owned municipally or privately. This is a matter of progress, and, of course, has nothing to do with the relative efficiency of public ownership and operation.

As to rates charged to domestic consumers, one wonders how the municipalities which sold both plant and distribution systems would compare with the communities which have retained their properties, or, at least, have held to their distribution systems. There is a serious question whether, by and large, the economies of central station connection have not been largely absorbed by excessive overheads, and not passed on to the ordinary consumers. One also wonders whether with the next cycle of progress just ahead, the communities which have retained their plants will not be better off by installing modern Diesel engines, and avoiding the costs of membership in elaborate systems, with all their surcharges and returns on pyramided reproduction cost valuations. These are questions that one cannot answer, but they are in no way illumined by the particular N. E. L. A. publication.



**The Study of Electric Light and Power Service.**—Prepared by Samuel S. Wyer, with an introduction by Charles F. Scott, professor of electrical engineering at Yale University, for the Fuel-Power-Transportation Educational Foundation of Columbus, Ohio, from which copies may be obtained free of charge. This pamphlet is a primer for the ordinary lay reader, on the processes of electric production and distribution. From the standpoint of technological description, it serves its purpose excellently. From the economic standpoint, however, it is open to criticism on most of the points presented. It succeeds especially in interweaving questionable economic statements with well-explained technological data. It mixes clear facts with plain propaganda, or, at least, with one-sided and unsupported opinion. For example, there is the flat

statement that, "in Ontario the domestic rates are below cost and lower than in the United States, and the industrial rates are higher than in the United States." This, of course, is opinion instead of plain fact, or conclusion without analysis.

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**Electricity in the Home.**—Prepared under the auspices of the City Club of New York, under the direction of the Club's committee on public service, of which J. B. Reid is secretary. The principal objective is to promote an electric rate structure which will permit extensive electrification of the ordinary home. The pamphlet discusses the conditions affecting costs, and points out that complete domestic electrification would help to produce a favorable load factor; that the increased consumption would require little, if any, new plant, and would cause but slight additional costs for production and distribution. It presents comparative rate data as between New York companies and various municipalities. It describes the several state systems of power distribution, and comes to the conclusion that the rates maintained are excessive and should be reduced and readjusted, so as to make electricity more generally available for domestic purposes.

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**Recent Growth of the Electric Light and Power Industry.**—Prepared by Charles O. Hardy, for the Brookings Institution, Washington, D. C. A factual study relating to the growth of power-plant facilities, utilization, and financial results. It is not concerned with rates or the basis of rate-making.

The study is based principally upon a questionnaire which was sent to the principal operating and holding companies. It utilized, however, also other data available, especially from the Census Bureau and the Geological Survey. It presents most of the facts in comparative form, covering 1921 to 1927, inclusive. It indicates: (1) that the volume of sales has been increasing somewhat faster than the growth in physical capacity; (2) that capitalization or plant expenditures have shown an increase somewhat greater than the increase of productive capacity; (3) that there has been a moderate increase in average plant cost in proportion to capacity; (4) that there has been a marked decrease in the proportion of common stock in the hands of the public, a tendency toward the concentration of control in the hands of a smaller proportion of the security-holders; (5) that

there has been an increasing net return to the common stockholders in relation to the par value of the securities; and (6) that the index of market prices of the common stocks of eighteen reporting companies has advanced from 100 in 1920, to 355.5 in 1927.

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**On the Cost of Distribution of Electricity to Domestic Consumers.**—Prepared by Morris Llewellyn Cooke, as an open letter to the Federal Trade Commission and the several state public service commissions. Copies may be had without charge, by addressing the author, at 1520 Locust Street, Philadelphia. The study is based upon an analysis of costs as reported by a number of companies to the public utility commissions of several states. It includes enough instances where reasonably accurate costs could be obtained to furnish fairly reliable results for general analysis of distribution costs. It points not only to the conclusion that domestic rates are generally excessive, and should be sharply reduced, to permit more extensive electrification of the homes, but it presents a method of approach by which the distribution costs may be separated from production and transmission, and properly provided for through the rate schedule. The concluding paragraph presents the results of the study from the author's standpoint:

In recent years—as the public has come to know more about the low cost of generating electricity—one frequently hears the remark, "Oh, yes, we could afford to furnish the current for nothing. What costs is distributing it—getting it to the place where the customer wants to use it!" The studies herein outlined prove in a number of different ways that there is nothing to this statement. For a use of 360 KW. hours per year—a recent national average—the cost of DISTRIBUTION amounts to about 2 cents per KW. hour; for 500 KW. hours per year this falls to 1½ cents, and for 1,000 KW. hours annually the DISTRIBUTION item is about ¾ of a cent. We are confirmed in our belief that a *maximum five cent rate* for domestic electric service is generally applicable and in many situations such a rate includes too high a margin of profit.

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**An Introduction to the Study of Regulation of Public Utilities.**—Prepared by Julia Margaret Hicks, and published by the Committee on Living Costs of the National League of Women Voters, Washington, D. C. This is an outline study of public utility regulation for the National League of Women Voters, which, at its national convention in 1928, voted to place public utility



regulation on its study program for the succeeding year. It has been prepared to assist the units of the League in carrying out the program, and is a successful treatment of a complicated subject. It presents excellently the problems of regulation, policies and machinery adopted; difficulties that have been encountered; and outlines briefly the proposals that have been made to make regulation more effective as an instrument of public policy. It draws indiscriminatingly upon authorities, and presents the subject from an impartial standpoint. Its objective is to present the facts and conditions, and not to support any particular point of view or doctrine.



**Ethics of Public Utility Valuation.**—This consists of three chapters: (1) The Judicial Theory of Valuation; (2) The Indianapolis Decision and Its Implications; (3) The Just Measure of Valuation. It was prepared by Dr. John A. Ryan, Professor of Moral Theology and Industrial Ethics at the Catholic University of America, and published by the National Popular Government League, Washington, D. C. It is a discussion of the basis of valuation for rate-making. It presents a brief historical account of how the idea of "fair value" was developed by the Supreme Court; makes a critical study of the reproduction cost theory; and, finally, supports prudent investment as the proper basis of rate-making. Most of the materials have been previously published by the author in other connections.



**High Power Propaganda.**—By H. S. Raushenbush, secretary of the Committee on Coal and Giant Power, 70 Fifth Avenue, and published by the New Republic, Inc., 421 West 21st Street, New York City. A summary and analysis, from the public standpoint, of power company propaganda as revealed by the Federal Trade Commission. It contains an introduction under the title of "Dirtying the Waters," and develops the following chapter titles:

- (1) "God's Fools"—A Story of the Free Press;
- (2) "Making Sure of the Future: A Story of Private Initiative in Education";
- (3) "Educating the General Public: A Story of Success."

It is an interestingly written account, within the compass of 89 pages, of the various indefensible activities involving the colleges, courses of

instruction, preparation and censorship of text books, the public schools, civic organizations, and the press. It makes succinct summaries of scattered evidence. The ordinary reader will have available the facts which are hard for the companies to "laugh off." The report covers the evidence taken by the Federal Trade Commission during 1928, and does not include the hearings during recent months.



**Regulation of Electric Light and Power Utilities.**—This pamphlet contains the principal papers presented at the last meeting of the American Economic Association on the fundamentals of electric service, regulation and rates. Copies can be had by addressing Prof. F. S. Deibler, secretary of the American Economic Association, Evanston, Ill., or the editor of this department, at 25 cents a copy, or 15 cents each in lots of 25 or more, postage prepaid.

The first paper was presented by Prof. C. O. Ruggles, of Harvard University, under the title "Regulation of Electric Light and Power Utilities." He gives a graphic description of the development of the power industry, and brings out particularly the technological improvements which have led to the present size and scope of the organization of the industry. He regards, generally, with approval the increasing size of the companies, and the establishment of the holding company systems. He brings out the fact, however, that the consolidations have produced abuses which have not been satisfactorily met from a public standpoint by the existing methods of regulation.

Professor Ruggles is concerned particularly with the twilight zone that has become established between state and federal jurisdiction. This zone has been greatly extended in recent years, partly by the increasing quantity of electricity which passes state borders, although this does not exceed 10 per cent of the aggregate production, but, principally, by the shift of control to the holding companies, which are largely interstate in their activities. Most of the state laws do not provide at all for holding company regulation, and the commissions are ill-equipped to cope with their jobs, even where the holding company complications do not appear. Under existing conditions, however, the state laws could hardly be modified so as to place the holding companies under effective regulation. As a constructive measure, Professor Ruggles suggests the establishment of

interstate regulation, with territorial subdivisions to make the administration adaptable to the sectional conditions of the country. As a special matter, he would provide a flexible rate of return dependent upon the efficiency of management, so as to reward progressive operation and to penalize stagnant or inefficient control.

The second paper is by Prof. H. W. Peck, of Syracuse University, "An Inductive Study of Publicly Owned and Operated versus Privately Owned but Regulated Electric Utilities." The paper presents concretely a comparison between 35 New York companies and 33 Ontario municipalities supplied by the Ontario Hydroelectric system. The principal financial and operating data are stated for the two groups. The discussion centers especially on the average rates charged to the different classes of consumers, and the average cost of service. Professor Peck contrasts the New York and Ontario conditions, and leaves the impression that the differences are essentially due to the fact that in Ontario the organization is for the purpose of furnishing public service at cost, while in New York the companies are concerned with obtaining maximum profits. The average total

receipts per kwh. for the New York companies are 2.26 cents, compared with 1.33 cents in Ontario. The average receipts for domestic lighting in New York are 5.64 cents per kwh., against 1.88 in Ontario; for power sales, 1.13 cents in New York, and 0.87 cent in Ontario; for municipal street lighting, 5.80 cents in New York, and 2.09 cents in Ontario. The total costs amount to 1.41 cents per kwh. in New York, and 1.21 cents in Ontario.

While no fixed conclusions can be formed as to these striking figures, Professor Peck's discussion is extremely suggestive. Although the differences in average costs between the two groups are not marked, the differences in rates offer a challenge.

The third paper was prepared by the editor of this department, and is a discussion of the two preceding papers. It emphasizes some of the constructive proposals made by Professor Ruggles, disagrees with him on the proposal of providing a variation in return dependent upon the efficiency of management, and presents the difficulties involved in such an arrangement.

The chief point brought out by the discussion is the failure of the present system of regulation to furnish an adequate yardstick for rate-making.

## NEWS NOTES

**The O'Fallon Case Decided.**—On May 20 the Supreme Court of the United States handed down its decision in the St. Louis and O'Fallon case. Contrary to the rather common expectation, the court met the issue of valuation as to whether the general standards laid down in other utility cases must be followed, or whether the methods adopted by the Interstate Commerce Commission were justified to meet the particular conditions of the railroads. The court divided 5 to 3 against the commission. It held that, under the 1920 Transportation Act, the commission was required affirmatively to follow the law of the land, and thus to give weight to reproduction cost. The court has left open the question whether Congress could establish a basis of valuation particularly designed to meet the economic characteristics of the railway industry, along the lines considered by the commission. The decision and its broader implications are discussed in more detail in a separate article in this issue by the editor of the department.

**O. C. Merrill Leaves the Federal Power Commission.**—On June 7 O. C. Merrill announced his resignation as executive secretary of the Federal Power Commission, to become effective July first. He will become head of the American section of the World Power Conference. This organization is devoted to the discussion of power problems and their relation to international affairs. The first conference took place in 1924, and was permanently organized in 1926. There are sections in 46 countries. The activities are correlated through an International Executive Council, composed of one member from each participating country. The central office is located in London.

This shift of Mr. Merrill from the Federal Power Commission to the American section of the World Power Conference will arouse the attention of public-minded people who have been following Mr. Merrill's excellent work. Whether to congratulate him, or to express condolence in behalf of the public cause, depends on what is involved underneath the change.

# MUNICIPAL ACTIVITIES ABROAD

EDITED BY W. E. MOSHER

*Director, School of Citizenship and Public Affairs, Syracuse University*

**Selection of Aldermen.**—Herbert Morrison, the leader of the London County Council Labor Party, contributes an article to the *Local Government News* which deals with the methods used and the policies adopted by the Labor Party in London County for the selection of aldermen. At the outset he calls attention to the customary considerations that govern political parties in choosing candidates for this position. Reward for faithful party service, consolation for failure of election to some other office, influential connections and the like, are among the determining factors.

The local Labor Party, it is asserted, has adopted entirely different standards by laying stress primarily upon merit and special qualifications. If it is desirable to have someone who understands public trading or public industrial enterprise, someone who understands finance or law, housing or town planning, or has a first-hand knowledge of Parliament or a membership in it, those candidates are chosen which meet one or the other of these requirements.

The writer summarizes the established practice of the Labor Party in the following sentences:

We have been determined that we will not degrade the aldermanic institution into a sort of second edition of the House of Lords to which people are elected merely as a matter of honor and personal appreciation. We are pleased to know that the line we have taken although it has had its critics, as it is bound to do, has on the whole met with the overwhelming approval of the Labor Party in London.—*Local Government News*, May, 1929.



**Status of Governmental Officials.**—A. P. Johnson, the president of the National Association of Local Government Officers, reviews the change and the causes of the change that has taken place in the past seventy-five years in the standing of the permanent local government officials in the community which they serve. In his opinion there are few professions which have made a similar advance in this period in the social esteem which the officers enjoy. It is asserted that this change is due to several more

or less obvious causes, the first of which is the extension of the range and scope of local government that has so greatly increased the responsibilities of those in charge of public affairs. Efficient service and straightforward dealing have brought their due reward. Competent officials enjoy a large measure of approval and even of affection for their diligence and loyalty to high standards. The public has come to recognize that the continuity and improvement of administrative policy are due to the permanent officials who carry on in spite of the changes in the personnel of the council.

A further factor is the maintenance of standards by the associations of those engaged in special branches of the local government service, resulting in a marked improvement in the quality of the officials who are recruited into the service.—*Municipal Journal and Public Works Engineer*, May 17, 1929.



**Advantages of Joint Contracts for Public Utilities.**—A movement is under way among a number of towns and small cities in the neighborhood of Charleroi in Belgium to organize an association for the purpose of setting up joint rather than individual contracts with the company supplying gas, along the lines of what has already been accomplished for electricity. It is maintained that if these cities are represented and negotiations are carried on by such an association it will be possible to bring about conditions much more favorable to the consumers of gas than could happen if the cities close contracts with the supplying and distributing agency one by one.

Such an arrangement has already been made in the neighborhood of Brussels as well as in various parts of France. The purpose of it is to bring about a community of interest between all of the consumers of a given region and the producers of the public utility. It makes possible a sharing of control on the part of all interested parties, and has proved to be very advantageous to the association representing the Brussels area. The method of determining the price is to establish a



modal price which is in effect for a single year when the company supplying the utility opens its books so that it may be possible to determine the amount of capital invested and the benefits derived during the period. The contracts prescribe that a fund shall be set aside for amortization purposes and a further sum for meeting interest charges. The surplus is divided between the producers and the communes. According to the Belgian law the latter are permitted to make use of this surplus directly for the advantage of the consumers.—*Le Mouvement Communal*, April 30, 1929.



**Public versus Private Production of Electricity.**—A more or less continuous conflict is being waged in Germany as in other countries concerning the relative efficiency, the rates and profitability of public and private electrical enterprises. One of the most common points of attack on the part of those favorable to private management has to do with taxes. It is contended that if the municipal works carried the same tax burden as the private works it would be impossible for the former to operate successfully. Numerous statistical comparisons have been prepared in Germany to prove one or the other point of view. A worthwhile contribution to the controversy has just been made by Dr. Bremen, a member of the magistracy in Potsdam. He emphasizes certain fundamental principles which are to be taken into account in connection with any comparison of cost and earning power of private and public works.

Among other things he points out in a recent article that the efficiency of the undertaking may be determined only through a careful investigation of the balances and the profit-and-loss accounts, urging that a mere comparison of rates is far from conclusive. He demands further that in all comparisons the location and size of plants, the number of consumers and the extent of the regions supplied must be given weight. In the opinion of the writer this limits the comparison to companies which are supplying about the same territory, which have similar conditions of production and distribution, and are equipped with generating plants fairly equidistant from the points of distribution.

With these conditions in mind, two enterprises, the one public and the other private, supplying the city of Berlin, were carefully investigated. The following data will give some idea as

to the relative size and value of the works in question. The public enterprise produced 912,000,000 kilowatt hours of used electricity, and the private one 68,000,000 kilowatt hours. The public company had properties with a book value of 348,880,000 reichsmark, while the private one had a capital of 42,528,000 reichsmark. If one takes into account the totals for 1927 under the captions of taxes, interest, profits and amortization, 13 per cent of the invested capital is chargeable to gross earnings in the case of the public company and 20 per cent in the case of the private.

The above results would seem to indicate that the private enterprise was much more successful from the point of view of profit than the public, but these figures must be considered in the light of the rate policy of the two concerns. This is determined by dividing the total number of kilowatt hours produced by one concern and used by its customers and the total income. Here the advantages are on the side of the public enterprise, for its average price per kilowatt hour was 12.6 pfennig, while the average for the private enterprise was 16. If the former had charged for electricity at the latter average figure its earnings in terms of percentage would have been just about equal to those of the private concern.

A further comparison is made between the areas served by the two companies. This goes to show that the public enterprise is operating under less favorable conditions than the private, because with the latter there is a population density four to five times greater than with the former. The total amount of electricity delivered to every one thousand inhabitants is greater in the case of the public, however, than in the case of the private undertaker (238,087 kilowatt hours as against 190,439 kilowatt hours). That is, the lesser density of population and the higher average of consumption on the part of every 1,000 inhabitants indicates that the public organization aims to supply consumers who live in the outlying and less densely populated districts of the city. This inevitably involves a higher cost of distribution and a greater loss of energy in the course of distribution. Such a policy is warranted in the name of public service.

The writer properly concludes that a valid comparison of public and private enterprise calls for something much more than a consideration of the amount of taxes paid by one or the other and the average rates. It is necessary first of all to determine whether the conditions of production and of distribution are at least approximately

comparable.—*Zeitschrift für Kommunalwirtschaft*, May 25, 1929.



**Public Baths.**—In a review of the history and utility of public baths, an English authority points out the marked changes that have taken place in the development of municipal bathing establishments since 1846. The most striking feature is the dual use of buildings for bathing and other public purposes. The latter include meetings, concerts and theatrical performances. This duality of purpose has affected the character and construction of buildings. For instance, collapsible dressing boxes have been designed which fold back flat against the wall when the halls are not used for swimming.

The latest improvement in the administration of the baths has to do with the filtration and purification of the water and the various methods of heating it. Most baths provide for a continuous method of filtration and purification so that the water remains clear and sparkling and the heating is quite uniform. Methods have been devised which make it possible for the water to be changed only once in six months, and in certain cases even only once a year.

Not alone is water provided for swimming but also for spray and so-called "slipper" baths. Facilities for Russian, Turkish and sun baths are frequently met in up-to-date structures.

Figures are given showing the number of persons who paid for admission at a low rate in the bathing establishments of four principal cities. In the years 1927-28 Glasgow had 3,318,000 paid

admissions; Liverpool had 2,337,000 in addition to 464,000 children who were admitted free; Birmingham 1,728,000, and Manchester 1,724,000. Emphasis is laid upon the importance of carrying on propaganda in order to stimulate people to use the baths more generally and more freely.—*Municipal Journal and Public Works Engineer*, May 10, 1929.



**Mutual Insurance.**—The Mutual Society of Public Administration in Belgium is engaged in providing the communes with the means of mutual insurance against fire and accidents and for the provision of pensions. The first branch was established some ten years ago. According to the annual report, 1928 proved to be a very successful year. The total premiums amounted to more than three million francs, and the total reserve attained a figure of five million francs. It is anticipated that with the increase of the reserve it will be possible in the near future to reduce the cost of insurance in a material way.

In his annual review the president of the association points out the advantages of such mutual organizations among a number of communes whether located in one or more provinces. He calls attention to the success of similar organizations as, for example, associations for credit purposes, for the provision of homes at popular prices, for the distribution of water and electricity as well as other undertakings of a similar character.—*Le Mouvement Communal*, April 30, 1929.

# GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

*Secretary*

**Recent Reports of Research Agencies.**—The following reports have been received at the central library of the Association since May 1, 1929:

Detroit Bureau of Governmental Research:  
*The Condemnation Procedure of Twenty-Three Cities.*

Erie County Taxpayers' Association:  
*Public Water Supply in Erie, Pa.*

Bureau of Budget and Efficiency, Los Angeles:  
*Proposed Budget for the Fiscal Year Beginning July 1, 1929, Ending June 30, 1930.*

Schenectady Bureau of Municipal Research:  
*A Long-Term Financial and Improvement Program for the City of Schenectady, N. Y.*

Westchester County Research Bureau:  
*Governmental Organization of Westchester County, N. Y.*



**Committee on Financial Statistics of Cities and States.**—The Governmental Research Association has recreated its committee on financial statistics of cities and states under the chairmanship of Russell Ramsey. The objectives of the committee are as follows:

1. To determine what are the uses of financial statistics and the limitations to their use.
2. To determine what statistics should regularly be prepared.
3. To determine what change is desirable in the preparation of statistics now regularly prepared.

The committee for the current year has the following personnel:

Russell Ramsey, Taxpayers' Research League of Delaware, *chairman*.

C. W. Atkins, St. Louis Bureau of Municipal Research.

W. P. Capes, New York State Conference of Mayors and Other City Officials.

Charles R. Dalton, Rochester Bureau of Municipal Research.

Howard G. Fishack, Fall River Taxpayers' Association.

James M. Leonard, Detroit Bureau of Governmental Research.

Robert J. Patterson, Philadelphia Bureau of Municipal Research.

Harold A. Stone, California Taxpayers' Association.

Herbert Wilson, Institute for Government Research.

T. David Zukerman, Political Research Bureau of New York.



**Taxpayers' Research League of Delaware.**—

Governor Harry Flood Byrd of Virginia was the principal speaker at the annual dinner and meeting of the League on June 4, his subject being "The Progress of a State." The other speakers were Governor C. Douglass Buck of Delaware, R. Fulton Cutting, chairman of the National Institute of Public Administration, and Russell Ramsey, director of the League. Edward W. Cooch, president of the League, presided during the business session, and Josiah Marvel acted as toastmaster for the remainder of the program. The dinner was attended by 200 persons, including many of the most prominent citizens of the state, together with several state officials and a number of members of the legislature.

The board of trustees elected at the annual meeting comprises: J. Hall Anderson, Dover; Frank C. Bancroft, Wyoming; H. Fletcher Brown, Wilmington; Edward W. Cooch, Cooch's Bridge; Louis A. Drexler, Bethany Beach; Mrs. Clarence Fraim, Wilmington; H. T. Graham, Wilmington; Hervey P. Hall, Smyrna; Walter W. Hynson, Smyrna; Henry R. Isaacs, Wilmington; J. Warren Marshall, Yorklyn; Josiah Marvel, Greenville; John M. Mendinhal, New Castle; Henry Ridgely, Dover; J. Edgar Rhoads, Wilmington; William V. Sipple, Milford; David Snellenburg, Wilmington; H. C. Stout, Wilmington; Mrs. A. D. Warner, Wilmington; Charles Warner, Wilmington; J. P. Wright, Newark.



The League is preparing to coöperate with Governor Buck and the other fiscal officials of the state by installing and maintaining an extra-legal accounting system supplementary to the regular accounting system of the state, as a demonstration of the practical value of improved accounting methods. Also in coöperation with the governor, the League is planning to set up a budget-administration bureau in the governor's office on an experimental basis.

The League is also planning studies of tax revision and administrative reorganization in preparation for the next session of the legislature.

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#### **Des Moines Bureau of Municipal Research.**—

Jointly with the county board of supervisors, the Bureau probably will set up a test case to determine whether or not the county attorney is entitled to collect attorney fees from the county for certain types of liquor nuisance injunction cases.

The Bureau has revealed that past and present county attorneys in this county have collected, since 1923, \$67,000 in commissions on fines and attorneys' fees in excess of their regular salary. Of this amount, \$50,000 was paid by the county and the balance by the defendants. A question has arisen relative to the legality of paying \$25 attorney fees in certain kinds of liquor nuisance injunction cases when the costs are not paid by defendant, which the board of supervisors and the Bureau will test in court.

An investigation is also being made relative to furnishing provisions for families in quarantine.

In the last several months the Bureau has made publicity reports on the following subjects: Tangible savings resulting from the county supervisors' retrenchment program; comparison of local assessment methods with up-to-date practices in other cities; fees and perquisites of county attorneys, 1923-1929; comparison of city, school and county operating expenses and payrolls, 1924-1928; vacation and time-off records and policies, in the city government, with suggestions regarding same.

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#### **Good Government League of Fort Worth.**—

The Good Government League of Fort Worth, which has been recently organized, is essentially a revival of the old Charter Change Commission of 1924, which sponsored the present council-manager charter. The purpose of the organiza-

tion is similar to that of the Detroit Citizens' League—that is, to stimulate intelligent public interest and participation in municipal affairs. It is in harmony with the present council which has been recently reelected without opposition for two years.

The immediate program of the League is the formulation of a bond budget for the city. Because of the very rapid growth of the city and its immense area of 59 square miles, the problem of keeping public improvements up to date is very difficult. The bonded debt is already high and a number of projects are needing large expenditures. Among those being considered are street improvements (including railroad grade separations), airport improvements, new city hall, fire department buildings, a school building program, municipal auditorium, new library building, new hospital building, and park improvements.

A committee of the League with representatives from the school, park, recreation, and library boards, is now working on the problem of financing these needs over a term of years, together with such other projects as will be required during the life of the program.

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#### **Civic Affairs Department, Indianapolis Chamber of Commerce.**—

The department has obtained the coöperation of all municipal departments in the preliminary steps of mapping out a ten-year program of capital improvements for Indianapolis. The preliminary report now in preparation will show the borrowing power of each unit of government; the amounts of maturing bonds in each of the next ten years; and other information tending to show the amount each unit may safely expend on for new improvements during each of the ten years. The report also will list every item of improvement recommended by officials or citizens as needed during the next ten years. Officials of each unit of government agreed tentatively to meet after this information is available to consider jointly mapping out the ten-year program.

The department is beginning its annual scrutiny of the budgets of all local units of government for the ensuing year, and it has recently submitted to the board of public safety a compilation of the sick-pay and vacation rules of fire and police departments in approximately thirty largest cities, with a view to aiding the Indianapolis board in revising its rules.

**National Institute of Public Administration.**—Bruce Smith has been appointed director of the survey of the Chicago police department which is to be carried out at the request of Commissioner William F. Russell under the auspices of the Citizens' Police Committee. The committee is made up of representatives of the University of Chicago, Northwestern University, the Institute of Criminal Law and Criminology, and the Chicago Crime Commission. Dean John H. Wigmore is chairman of the committee and Professor Leonard D. White is vice-chairman. The survey is already under way. L. S. Timmerman is a member of the survey staff.

Mr. Smith's report on *Uniform Crime Reporting* was presented at the annual meeting of the International Association of Chiefs of Police at Atlanta on June 3-6. The report was unanimously and enthusiastically adopted.

Leonard V. Harrison of the Bureau of Social Hygiene, formerly a member of the New York Bureau staff, has been appointed to make certain research studies for President Hoover's commission on law observance and enforcement.



**Toledo Commission of Publicity and Efficiency.**—The articles published by the commission during the last month have been "May—Health Month," a résumé of the educational campaign in the city during the month of May, summaries of the report of the examiner of the state bureau of supervision and inspection of public offices for 1927, and an article on the personnel, equipment and salaries paid in smoke inspection work in fourteen selected cities in the country. The Commission has edited and is now publishing the 1928 annual health report.

# NOTES AND EVENTS

EDITED BY H. W. DODDS

**Cork's First Election under the Manager Plan.**—John J. Horgan, who described Cork's new plan of government in the REVIEW for May, sends us the following information regarding the first municipal election held under the new scheme.

The election was held March 20 with 68 candidates in the field and with political affiliations as follows:

Labour Party.....	21
Fianna Fail.....	9
Cumann Na Gaedéal.....	11
Business.....	10
Independents.....	17

The twenty-one successful candidates were distributed as follows:

Labour Party.....	2
Fianna Fail.....	3
Cumann Na Gaedéal.....	3
Business.....	6
Independents.....	7

The number who actually voted was 13,975, of an eligible list of 27,238. Though little more than 50 per cent of those eligible to vote exercised the franchise, it should be borne in mind that in Irish local government elections only 30 per cent of the electors usually exercise their right.

The first meeting was held on March 27, 1929, when a committee was set up to consider procedure under the new act. The most important change recommended, and approved, was the holding of all committee meetings in private, and the subsequent publishing of committee reports at council meetings. Another change approved of was the absence of the council's official from meetings, the manager being held directly responsible for all departments.

The plans of the council include the immediate construction of a city hall, the building of a considerable number of working class dwellings and the establishment of a superannuation scheme for employees. It is expected that the rating system will also be revised and brought up to date.

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**Two City-Manager Charter Elections in San Mateo County (California): Contrasting Methods of Procedure.**—Two city-manager charter elec-

tions held recently by cities of San Mateo County, adjoining San Francisco, have met with opposite results. On January 8, 1929, Burlingame rejected a city-manager charter, drafted by a board of freeholders, by a vote of 279 for to 801 against. On April 9, Redwood City, the county seat, adopted a city-manager charter, also prepared by freeholders, by a vote of 1,402 for to 160 against. The conflicting action of the two nearby cities of nearly equal size (10,000 to 15,000 population) may be cited as an illuminating example of opposite methods of procedure, rather than opposite opinions as to the city-manager plan.

The Burlingame freeholders met behind closed doors, consulting only with themselves, and prepared a charter with city-manager provisions devised by themselves. No charter authority of any type was consulted and no publicity was given to the freeholders' deliberations. When the finished draft was presented to the city council, which by law fixed the date of elections, the freeholders apparently washed their hands of their task, and the council, likewise, took little interest in it. Without a strong group supporting the proposed charter and with very little publicity, the charter attracted little public support and much active opposition. As a city-manager form of charter, it was apparently a compromise between accepted city-manager charters and the general-law type of mayor-council government, which left little to commend.

On the other hand, the Redwood City freeholders held open deliberations with the press and the public invited. Outside charter authorities were consulted, including Professor E. A. Cottrell of Stanford University, Professor Samuel C. May of the University of California, John Edy, city manager of Berkeley, and William H. Narry of the San Francisco Bureau of Governmental Research. On the recommendations of their advisers, the freeholders prepared an effective type of city-manager charter.

Concessions to local opinion were made to provide for the auditor and the treasurer to be appointed by the council, while the tax collector is to be appointed by the city manager. The charter also has the proviso that the city mana-



ger appointed by the council must have had at least one year's experience as a city manager, assistant or deputy. A strong citizens' committee representing nearly every civic organization and group in the city was organized to support the charter. Professor Cottrell spoke several times during the campaign. With united public support, the charter carried by an overwhelming vote. The state legislature has approved the charter and an election has been called for June 4 to elect two additional councilmen (seven, instead of five members as at present, are to constitute the new council). The effective date of the charter is from and after the seating of the council of seven.

✱

**New York's Elevated Express Highway.**—The elevated express highway along the Hudson River in New York City, for which Borough President Miller has fought for several years, is to become a reality at last. On May 24 the first shovel of earth was turned in the presence of 5,000 spectators. This marked the actual beginning of the first section of the new highway which eventually will run from Canal Street to Seventy-second Street, where it will meet Riverside Drive. Together these two drives will provide a continuous shore drive of about eleven miles, with a view of the panorama of the Hudson River all the way.

The section now under construction begins at Canal Street and goes to Twenty-second Street. The contract price is about \$4,500,000, and its completion is looked for in about ten months. Other sections will be under way before this one is completed, and the whole project should be in use in two and a half years.

The new roadway will be sixty feet wide, providing room for six lanes of travel. It will be far enough from existing buildings not to deprive them of light or air. Its architectural design was carefully worked out and met the approval of the municipal art commission, to whom it was formally submitted.

Access, in both directions, will be by a series of ramps running parallel to the structure and reaching the new roadway at its center. As the structure is intended for general traffic, this is an important feature. The slow-moving part of the traffic will remain in the center of the roadway, while those that desire to move rapidly will use the double lanes on either side. This method will be a definite benefit to the safety of the drive because the movement of the vehicles on the

ramps, both coming and going, must be slow, and more speed can only be attained as the vehicles in the center lanes turn from the slowly to the more rapidly moving ones on the sides. This arrangement will permit a speed of from thirty to thirty-five miles in the outer lanes, and, with no interfering cross traffic, will give the elevated express highway a capacity of five thousand cars per hour, about twice that of Fifth Avenue.

✱

**Philadelphia Reports Progress in City Planning and Zoning.**—The Pennsylvania legislature, which has just closed its session, worked both for and against housing betterment.

Its contribution to housing progress is the Woodward zoning bill, which was introduced by Senator George S. Woodward, and, after a rather disheartening experience, passed the house and was signed by Governor John S. Fisher.

Troublesome legislation in the form of four undesirable bills was fortunately checked by action of the governor, who vetoed them and condemned the proposed interference with the freedom of action of the department of health in the abatement of bad housing conditions.

Two of these were amendments to the housing code: one to permit the erection of tenements without sewer connection, and the other to change the definition of a rooming house. The latter would have taken about one-half of the rooming houses of the city from the jurisdiction of the department of health, and thus would have caused a breakdown in the present standard of sanitary occupancy.

The two other vetoes were equally noteworthy. One repudiated the Daix garage bill which, if signed, would have forbidden injunction proceeding against commercial garages until after they had been operated and were proven a nuisance. The other was the Royle zoning bill, an emasculated duplicate of the Woodward zoning bill. The Royle bill would have restricted the scope of zoning and thrown numerous cases into court because of the inadequate definition of the areas which council might zone.

The Woodward bill, which gives Philadelphia permission to adopt a zoning ordinance, will stand comparison with the zoning enabling acts on the statute books of over thirty states. It is modeled after and is practically a duplicate of the Standard State Zoning Enabling Act of the department of commerce. In addition, it authorizes a bureau of zoning, establishes penalties, and contains a validity section to care for adverse

court decisions, if such should be rendered against any of its provisions. In signing this bill Governor Fisher has given Philadelphia the most far-reaching legislation of beneficial character which has passed the general assembly in many years.

Prior to this action of the governor, the city council of Philadelphia, at the request of the mayor, passed a resolution endorsing the Woodward bill, and three councilmen appeared at the hearing in Harrisburg and requested the enactment of the bill into law. Moreover, while this authority was being granted by the state legislature, the councilmanic body enacted a companion piece of legislation creating a city planning commission. The agitation for this commission was begun some months ago by local organizations, who persuaded the mayor to call together three hundred citizens to advise on the plans and scope of a planning commission. Following the enthusiastic reception of the proposal, Mayor Mackey prepared and sent to city council an ordinance creating a committee of fifteen members, which the council passed in record time.

The outlook for the passage of a zoning ordinance and the appointment of a city planning commission for Philadelphia is most gratifying today.

BERNARD J. NEWMAN.

Philadelphia Housing Association.

✱

**Minneapolis Scraps Ward Street Maintenance System.**—On May 13 the voters of Minneapolis amended the city charter to abolish the old ward system of street maintenance and to consolidate such work in a general street commissioner for the entire city. For many years Minneapolis levied separate funds for each ward to take care of streets and sidewalks. Each ward had its own street commissioner who supervised the spending of the funds in his district. The amendment substitutes city-wide financing and management for the piecemeal methods formerly in vogue. It is contended that the amendment will save the city \$32,000 a year in salaries and \$90,000 annually by the elimination of duplication in ward equipment. Further economies through greater efficiency and proper planning are to be expected.

One street maintenance department instead of thirteen would seem a reform to which no one would object. However, it encountered opposition from two sources. Those who had a personal interest in the old system claimed that

centralization would introduce log rolling in apportionment of funds and that the ward with the strongest pull would obtain most of the appropriations. Another group, hoping for a clean-cut manager charter in the near future, felt that the best way to progress was to wait until the full jump could be taken at one time.

Minneapolis has always had trouble with her ward system of street administration, and it is a marvel that she has endured the old system so long. In general the "labor" aldermen were against the amendment.

✱

**Five Years of Taxation in Indiana.**—The Indiana Taxpayers' Association has published a study on taxation, state and local, for the past five years. Increases during this period show a wide range in rate. Those counties in which the taxpayers exercised the supervision to which they are entitled under the unique laws of the state have kept the tax situation within bounds. In other counties the record has not been so satisfactory.

The state-wide composite rate has jumped from \$2.43 in 1923 to \$2.81 in 1928, the latter rate applying on taxes collectible this year. The 38-cent increase in the composite state-wide rate is not completely indicative, however, of the actual increase in the local units of Indiana, because the state-purpose rate has declined from 30 cents on each \$100 in 1923 to 23 cents in 1928. Excluding the state rate, which applies uniformly in every local taxing unit in Indiana, the composite local rate for the state at large has jumped from \$2.13 in 1923 to \$2.58 in 1928.

Evidence of the fact that high taxes are almost a local problem, and must be controlled by the taxpayers in their own communities, is found in the wide spread of valuations, budgets and levies in various parts of the state.

Two reasons for this local increase are disclosed by the state association's analysis. In many local units the sum of all budgets is materially more than five years ago, and at the same time the valuation on which taxes are collectible has declined.

Only six counties out of ninety-two in Indiana have a lower composite rate than five years ago. Thirty-three counties show a lower budget for all local purposes, including cities, towns, townships and the county itself, than in 1923, while fifty-nine counties show higher budgets. In nineteen of the latter the annual advance in the five-year term was less than 1 per cent.



One of the most significant aspects of the present tax problem in Indiana is the operation of the laws of 1925 and 1927 authorizing a reduction in the appraisal of real estate. Only thirteen counties out of the ninety-two show a higher total valuation than in 1923, and these are for the most part the more densely populated areas with large industrial centers. The increased valuation in these thirteen counties was \$319,929.051, while in the five-year period there was a state-wide net shrinkage in valuation of \$164,037,963, so that the actual scaling down of valuations in the five years amounted to \$483,967,014.

Most of these counties show a percentage of increase in rate exceeding the percentage of cut in valuation, and on the face of these figures the conclusion is warranted that in most instances taxpayers did not profit by the cut, but are paying more tax on the reduced valuation than they paid five years ago on a higher appraisal level, the local units having found it impossible to depress expenditures by the same margin as they depressed the valuation.

While state-purpose taxes have been going down, local taxes have been going up. If the state rate had increased in the same proportion as the local rates, the state government would be collecting taxes on a 36-cent levy this year, while if local taxes had declined by the same ratio as the state-purpose rate, the local units in the aggregate would be collecting \$28,973,000 less than their current year's total, and the state-wide composite rate for all local units would be \$1.635 instead of \$2.58.

In most counties and local units where taxpayers have availed themselves of the state law, and assisted local officials in preparing budgets, or appealed to the state tax commissioners when unnecessary expenditures were proposed, the rates have been kept under control. The counties and local units where least vigilance was exercised are the ones showing the largest increases.

HARRY MIESSE, *Secretary.*

Indiana Taxpayers' Association.



**L. I. D. Conference on Municipal Government.**—A Program for Municipal Government was the subject of a conference held at Forest Park, Pennsylvania, from June 27 to 30 by the League for Industrial Democracy. Some of the topics were: Trends in Regard to the City-Manager Form; What Have Progressives and Socialists

Accomplished When in Power?; Is the City Government in League with Criminals?; How Can Progressives Take Power?; and The City of the Future. Speakers included James H. Maurer, Dr. William H. Allen, Louis H. Pink, Joseph McGoldrick, Stuart Chase, and Harry W. Laidler. Norman Thomas was chairman of the sessions.



**Minnesota Municipal Conventions.**—The newly formed Minnesota Municipal Public Utility Conference held its first annual meeting together with the League of Minnesota Municipalities at Austin, June 12, 13, and 14. The conference met jointly with the Minnesota Section of the American Water Works Association for round table discussions on the first and third days, and with the League group on the second day of the convention.

One of the projects discussed at the convention was the founding of a police school for the Northwest for the better training of peace officers.



**Taxicab Control in Milwaukee.**—Apropos of the announcement in the May REVIEW that Cincinnati had adopted an ordinance placing taxicabs on a public utility basis, word comes from Milwaukee that such an ordinance was adopted for that city last September, several months before the Cincinnati ordinance was passed. The Milwaukee ordinance requires that every owner desiring to operate a taxicab must first receive a permit from the common council. No vehicle can receive a permit until it has been inspected and found to be in a safe condition. Applicants must satisfy the council as to the public convenience and necessity of their taxicabs, and owners may be required to file annual reports, schedules, and other data regarding the operation of their vehicles.



**New School for Public Service.**—The newly established School of Citizenship and Public Administration at the University of Southern California has announced three formal curricula for the training of public servants. In addition to the full-time course leading to bachelor's or master's degrees in public administration, late afternoon and evening classes will be held at the Civic Center of Los Angeles and will be open to city employees. The annual short course, begun last year, will be continued.



**Legislative Reapportionment in Ohio.**—Debate over the enactment of a bill to increase the gasoline tax from three cents to four cents led to an open breach between rural and urban factions in the closing hours of the Ohio general assembly. The additional cent of tax, which was to go largely for the improvement of secondary roads in the rural districts, was attacked by the city members under the leadership of George H. Bender of Cleveland. The governor had sponsored the measure and the administration succeeded in securing its enactment in spite of the city opposition, which was not unanimous. Senator Bender announced a few days after the close of the session that he would conduct a campaign to secure the necessary signatures to place a proposal on the ballot at the November election for the amendment of the state constitution to permit reapportionment on a population basis in both houses of the assembly. The constitution now contains a provision that each county shall be entitled to at least one representative in the lower house. On account of this provision, Cuyahoga County has one representative for each 50,000 voters, while some of the more sparsely populated districts have one for every 12,000 to 15,000 voters. If representation were placed strictly on a population basis in both houses, the urban districts would be in control.

Senator Bender claims to have made 200 speeches during April and May in various parts of the state in favor of his proposal. Petitions are now being circulated with a copy of the proposed constitutional amendment. The amendment would establish a house of 120 members and a senate of 30 members, the quota for representation being in both cases the total population of the state divided by the number of seats to be filled.

Representative Dallas A. Sullivan, author of the gasoline tax increase, has appeared in debate against Senator Bender on several occasions. He is probably as near to a leader as the rural group possesses, at least for active campaign purposes. The Ohio Chamber of Commerce has decided not to support reapportionment, preferring to concentrate its efforts on the constitutional amendment to establish classification for taxation.

HARVEY WALKER.

**The Legislative Program of the Ohio Joint Committee on Economy.**—The April number of the NATIONAL MUNICIPAL REVIEW carried an account of the activities of the Joint Legislative Committee on Economy in the Public Service. Reference was made there to a number of legislative proposals which have been drafted and introduced to carry out the recommendations of the committee, and which were at that time pending before the general assembly. It is the purpose of this note to record the fate of these proposals.

Forty bills were drafted and introduced to carry out the recommendations of the report. Of these, two were identical, leaving thirty-eight. Thirty were introduced in the senate and two in the house. Of the senate bills, twenty-two were lost in senate committees, four in house committees, two on the house calendar, and one on the senate calendar. These included the driver's license, the state department of public safety, restoration of July 1 as the beginning of the fiscal year, creation of a state board of investment, revision of the administrative code, increase in support charges for inmates of state institutions, and several amendments to the general laws, to clarify them and to simplify their administration. Only one of these senate bills was passed by both houses—a bill to make the state code of weights and measures more stringent. It was subsequently vetoed by the governor.

Of the eight house bills, five were lost in house committees, one was indefinitely postponed by the senate, and two were passed by both houses. One of these attempted to establish a court appeal from a disagreement in the state civil service commission, and was vetoed by the governor. The other abolished state aid to county normal schools. This became law. Ten other bills, drafted and introduced by persons not members of the joint committee, tended to carry out portions of the committee's recommendations. Six of these became law.

Few of the measures which failed of passage were vital to the program of the committee, as most of its recommendations can be carried out under the existing provisions of the administrative code, through executive orders.

HARVEY WALKER.

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